

CONGRESSIONAL DIGEST

PRO
AND
CON

February, 1934

The Crisis in America's Public School System

The U. S. Constitution and Education
What Congress has Done
The Depression and the Schools
Financial Ability of the States
New Deal Funds for Education
The Educators Offer a Plan
The George Bill for Federal Aid

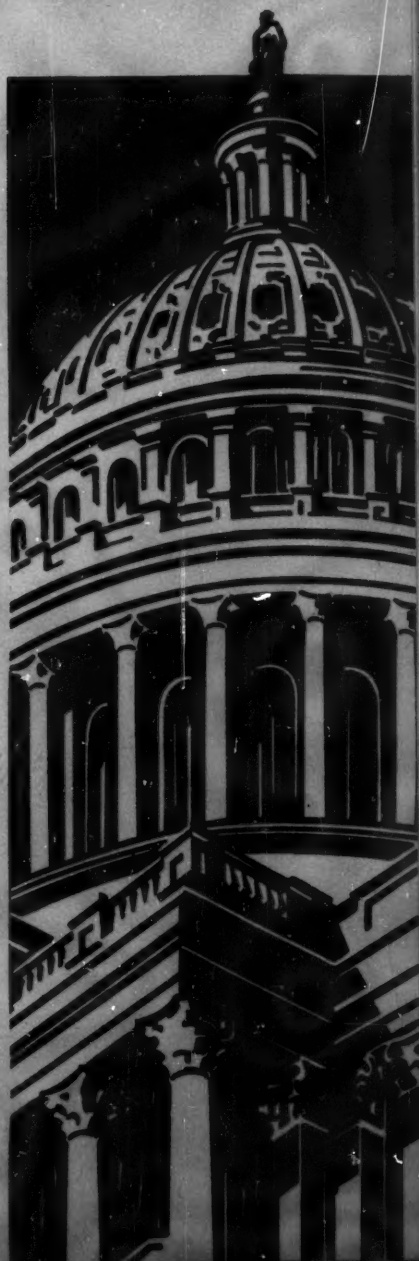
Should Federal Funds be Spent
for Public Education ?

Progress of Major Legislation



WASHINGTON, D.C.

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THE QUESTION THIS MONTH:

Should Federal Funds be Spent for Public Education?

Senator George Opens the Fight in Congress for Federal Aid for Schools

As THE DIGEST goes to press, the first definite move in Congress to obtain Federal aid for the school systems in all the states of the Union has been made.

Senator Walter F. George of Georgia introduced in the Senate, on January 19, Senate Bill 2402, authorizing the Reconstruction Finance Corporation to make available \$50,000,000 for this year and \$100,000,000 for next year to aid the schools. The full text of the George bill follows:

To provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in public education.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Congress hereby declares that the present economic depression has created a crisis in public education and that the cooperation of the Federal Government with the several States, Territories, and the District of Columbia is essential in order to make available to the youth of the Nation those educational opportunities which are necessary for the training of citizens in a democratic government.

Sec. 2. The Reconstruction Finance Corporation is authorized and directed to make available, out of the funds of the Corporation, \$50,000,000 for the fiscal year ending June 30, 1934, and \$100,000,000 for the fiscal year ending June 30, 1935, for the purpose of carrying out the provisions of this Act.

Sec. 3. The funds provided in section 2 are to be disbursed to the several States, Territories, and the District of Columbia upon the certification of the United States Commissioner of Education and shall be allotted on the basis of need as determined by the ability of the several States and Territories to maintain a term of normal length in the public schools of less than college grade. All moneys available under the provisions of this Act are to be paid monthly

to the State treasurer of the several States and Territories, except that upon the passage of this Act three fourths of the fund provided for the present fiscal year shall be paid immediately.

Sec. 4. The State school superintendent or commissioner and/or State board of education shall administer the funds within the several States and Territories in accordance with the school laws governing the maintenance and operation of schools of elementary and secondary grade.

The George bill carries out one of the principal points in the program of the Federal Advisory Committee on Emergency Aid in Education, filed with Dr. George F. Zook, United States Commissioner of Education, on January 6 after the committee, on which 32 educational and other national organizations were represented, had given several months' study to the problem at Dr. Zook's request. (See articles by Dr. Zook and Dr. Richmond.)

After the Advisory Committee had filed its report and dissolved, the educational and other national organizations formed an independent committee, named the National Committee for Federal Aid in Education, and established headquarters in Washington to press for legislation for Federal aid. Dr. James H. Richmond, State Superintendent of Education for Kentucky, is chairman of this committee with offices in the Powhatan Hotel, Washington.

In this number of the DIGEST an effort is made to present the condition in which the American public schools and other educational institutions find themselves as the result of the economic crisis; a brief history of what the Federal Government has done in the past and is doing now toward education; the financial resources of the states and what they are spending on education; the program outlined by those who want the Government to do more, both as a temporary and as a permanent policy, with a Pro and Con discussion of the entire question of Federal aid for education.

The fight to put this program through is just beginning and its progress will be recorded in full from month to month by the DIGEST.

Congress and Public Education

1784 - 1929

DURING colonial times the New England colonies developed a well-defined policy of making land grants for the support of common schools, thus setting the precedent in this country for the utilization of public lands for the support of education.

The habit of local responsibility and control of education in America is an outgrowth of the relative isolation and self-contained nature of pioneer life in America. From the Revolution to the Civil War, the Federal Government, although it encouraged and financially aided education in the States, made no attempts to regulate the purposes, define programs, supervise teaching, or otherwise control public education.

1784—On May 7, a committee of the Continental Congress, of which Thomas Jefferson was chairman, reported a bill "for ascertaining the mode of locating and disposing of lands in the western territory."

1785—On May 20, Congress passed the land bill, carrying a provision that "There shall be reserved the lot No. 16, of every township, for the maintenance of public schools, within the said township." This measure became the model followed in subsequent federal land grants for the promotion of education, taking on the form of a reservation of land for the support of the public schools within the townships.

1802—On July 4, the United States Military Academy was opened at West Point, N. Y., to train officers for the Army, with ten cadets present.

1802—Ohio was admitted to statehood and in the Enabling Act Congress set the first definite precedent for conditional educational grants as one of the stipulations for statehood. In this Act, Congress provided that Section 16 in every township be granted the inhabitants of the township for the use of schools.

1803—Congress passed an Act amending the Ohio Enabling Act by providing that control of the lands set aside for schools should be in the hands of the legislature instead of in the hands of the inhabitants of each township, as originally provided.

1813—The Navy began to school midshipmen on shipboard as future officers for the Navy.

1818—Illinois was admitted to statehood. Its Enabling Act, providing grants of land for schools, required that the sixteenth section be granted to the State. Alabama, however, admitted in 1819, reverted to the original Ohio type of grant.

With the addition of experience, the rise of values in lands, and the increasing importance of public education, Congress increased its restrictions upon lands granted for education. For example, the Enabling Act for Colorado (March 3, 1875) made requirements regarding (a) sale price, (b) nature of sales, (c) uses of proceeds and interest, (d) quantity of lands for common schools, (e) for university, (f) reservation of mineral rights. New Mexico and Arizona, admitted June 20, 1910, are the most

recently admitted states. Their Enabling Act is the last passed by Congress to admit a territory to statehood. The minute provisions in the case of the New Mexico and Arizona Acts, for the safeguarding of Federal subsidies or grants for education and for prosecutions of breach of trust and the specific designation of types of institutions to benefit in each selected case, represent the extreme of Federal requirements by means of enabling acts, in contrast to the early beginnings of Federal influence on education exercised through the media of earlier enabling acts.

1819—Congress bestowed land on the Connecticut Asylum for Teaching Deaf and Dumb.

From the early days of the Republic, Congress has made occasional grants of land to designated educational institutions, the significance of which lies in the emphasis which they have given to specified types of education, rather than to a general program of education.

1838—About this time agitation for the collection and dissemination of statistics on education by a Federal agency arose. During succeeding years, various suggestions and plans were brought forward looking toward the desired agency—for example: to incorporate it in the plan of the Smithsonian Institution (1845-1847); to set up a statistical bureau (1849); to establish a Department of Education (1851, 1854).

1845—The United States Naval Academy was established at Annapolis, Maryland.

1862—On July 2, Congress passed the Morrill Act, marking definite changes in Federal policy from grants in aid of education in general to grants in aid of specified types of education, and in the adoption of a formula for the distribution of subsidies to all of the States. This Act plays a basic role in the American system of Federal aids for education, and has had a decided influence in the realm of educational administration. The principal provisions of the Morrill Act were: (a) outright grants of land to be converted into endowments for the support of the colleges, were made, investments to be made in "stocks of the United States or of the States, or some other safe stocks, yielding not less than five per centum upon the par value of said stocks; (b) land was distributed on a proportionate basis as approximated by representation in Congress; (c) definite prescriptions on the content of work were made; (d) financial provisions almost entirely restricted the uses of the fund to operating expenses; (e) a number of legal and fiscal directions designed to safeguard the grants and their administration were given; (f) the Federal requirement of annual reports covering use of Federal aid for educational enterprises was initiated.

1867—On March 1, Congress passed an Act creating a department of education, with a Commissioner of Education as its head, "... for the purpose of collecting such statistics and facts as shall show the condition and progress of education in the several States and Territories, and of diffusing such information respecting the organization and management of schools and school systems, and methods of teaching, as shall aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise promote the cause of education throughout the country."

1868—The department of education was abolished and in the Department of the Interior was established a bureau called the "Office of Education," which has gradually developed into the present Bureau of Education.

1871-77—Beginning in 1871 and continuing until 1887, various efforts were made to provide for the establishment of Federal funds for education. The principal bills were that of Senator Hoar of Massachusetts in 1871 and those of Senator Blair, 1874-77. The Hoar Bill provided for the establishment of Federal funds for public schools in states which had not established them. It was opposed by Senators and Representatives from the Southern states on account of the Negro problem.

The Blair bills provided for the distribution of \$77,000,000 to the various states in proportion to the number of illiterates in these states. They provided less Federal control than the Hoar Bill. The Blair Bill of 1877 passed the Senate 3 times but was beaten in the House each time. In contrast to the Hoar Bill, however, the Blair Bills received strong southern support.

1887—On March 2, Congress passed the Hatch Act, initiating a new federally aided service for scientific investigation and experimentation by establishing agricultural experiment stations in the local fields of agricultural education. This Act was a significant departure from established precedents in the manner of extending federal aid for education. Previous to 1887, grants to the States had been in the form of land or lump sums of money. This legislation, however, introduced the system of annual money payments, or subventions, which have assumed such large proportions in recent years.

1906—On March 16, Congress passed the Adams Act. This (as was the Purnell Act, passed February 24, 1925) was supplementary in character—being an extension of additional Federal aid to those agricultural experiment stations operating under the Hatch Act. Accompanying the expansion of research activities permissible under the administration of the land-grant college experiment station system, the Purnell Act included an increase of \$60,000 per year to each station over the \$30,000 authorized by the Hatch and Adams Acts.

1890—On August 30, the Second Morrill Act was passed. It increased the endowment and maintenance funds of state agricultural colleges by appropriations of money from sales of public lands, extending the provisions of the first Morrill Act. An important feature of the second Morrill Act was the recognition by Congress of separate colleges for "white and colored students."

1911—On March 4, the State Marine School Act was approved, providing for Federal aid to promote nautical education. This was an exceptionally significant addition to Federal educational administration. In addition to money, the provisions made U. S. naval equipment and instruction available for State use. In an endeavor to stimulate state participation in nautical training, this Act initiated in the field of education the requirement of matching (complementary support) of Federal funds by state or local allotments. This stipulation has been incorporated into most of the Federal aid legislation which has followed, and is one of the phases of Federal aid which is still highly controversial.

1914—On May 8, the Smith-Lever Act was passed, authorizing Federal aid for an added type of service—

"the diffusion of useful and practical information on subjects relating to agriculture and home economics,"—under the direction of the already established land-grant college system of agricultural education.

1917—On February 23, the Smith-Hughes Act was passed, inaugurating the promotion of a new type of education, vocational training. It was designed to benefit three special classes; those interested in agricultural training, those interested in trade or industrial training, and those concerned in home economics work, and for training teachers in these three fields. It was under this Act that the Federal Board of Vocational Education was created.

1918—The movement for a Department of Education began in earnest in October when Senator Hoke Smith, Georgia, introduced a bill in the Senate creating a Department of Education with a Secretary in the Cabinet and Federal aid to the states. A hearing was held by the Senate Committee on Education and Labor on December 5, 1918, but no action was taken.

1919—The Senate Committee on Education and Labor and the House Committee held joint hearings on Department of Education bills but took no action.

1920—Amendments to the National Defense Act extended the educational participations of the Federal Government into the field of military education within the States, the President being authorized to establish units of a Reserve Officers' Training Corps in civil educational institutions, including state universities, land-grant colleges, military schools not conferring degrees, and all other public and private educational institutions. This Act provided for a direct relationship between the Federal Government and those educational institutions benefiting under its terms.

The National Defense Act offered without charge to civil educational institutions the use of regular army teaching personnel and equipment, as well as subsistence-pay to students in an "advanced course." In other than state institutions the Act required agreement to the establishment and maintenance of a two-year course in military training, which when entered upon by a student, should become a prerequisite to graduation.

1920—On June 2, the Civilian Vocational Rehabilitation Act was passed. It was amended June 5, 1924, and again June 9, 1930, and is sometimes called the Smith-Bankhead Act. This Act extends the cooperative activities of the Federal Board for Vocational Education into the field of vocational rehabilitation of persons disabled in industry and their return to civil employment. The general plan of this legislation follows closely that which was set up as a model in the Smith-Hughes Act of 1917, many of the stipulations, conditions, and administrative procedures contained in the earlier law reappearing in the Rehabilitation Act.

1921—The Smith-Towner Department of Education Bill was revised and reintroduced by Senator Smith in the Senate and Representative Towner in the House. On January 17, the Smith-Towner Bill was favorably reported from the Committee on Education in the House and on March 1, from the Committee on Education and Labor in the Senate, but it did not come to a vote in either house. This bill, known during the next Congress as the Towner-Sterling Bill, because it was introduced in the Senate by Senator Sterling of Colorado, was held in committee in

both houses and not reported until near the close of the Congress.

1921—On May 5, the Fess-Kenyon Bill, providing for a Department of Public Welfare with a subordinate position to education, was introduced in the Senate by Senator William S. Kenyon, and in the House by Rep. Simeon D. Fess. Joint hearings were held before the Senate and House committees and was opposed by the friends of the Towner-Sterling Bill.

1923—On December 17, the Sterling-Reed Bill, identical with the Towner-Sterling Bill, was introduced in both houses. From January 22 to 25 a hearing was held before the Senate Committee on Education and Labor. From February 20 to June 4 weekly hearings were held before the Committee on Education in the House. Leading educators, business men and representatives of national organizations appeared and every phase of the measure was clearly set forth.

1924—On June 3, the Smoot-Mapes Bill, for the reorganization of the executive departments of the Government and providing a Department of Education and Relief, was reported by the Reorganization Committee and placed on the calendar of both houses. No action was taken on the Sterling-Reed Bill before Congress adjourned.

On December 1 the Dallinger Bill was introduced in the House. It was identical with that portion of the Reorganization Bill providing for the creation of a Department of Education and Relief. The committee refused to vote the bill out favorably, preferring to wait for action on the whole Reorganization Bill.

1925—On January 30, Senator Smoot attempted to make the Reorganization Bill the unfinished business of the Senate. His proposal was rejected by a vote of 41 to 25.

The supporters of the movement for a Department of Education, realizing they could not gain the support of the Administration for a bill calling for large Federal funds for education, decided to revise the bill. Conferences were held from which there evolved the Curtis-Reed Education Bill, introduced in the Senate on December 8 and in the House on December 11. This bill omitted any Federal aid feature and provided only for a Department of Education with a Secretary in the Cabinet.

The way was cleared for an active campaign for the creation of a separate Department of Education when, on December 10, a new bill, creating a Reorganization Board to cooperate with the President in making adjustments within existing departments, was introduced by the Committee on Reorganization.

1926—On February 24, 25 and 26, joint committee hearings were held on the Curtis-Reed Bill. No action was taken by the committee of either House during the 69th Congress.

On March 11, Senator L. C. Phipps of Colorado, introduced a bill to extend the purpose and duties of the Bureau of Education. On May 6, this bill was reported favorably by the Senate Committee on Education and Labor, but received no further considerations.

1927—At the opening of the 70th Congress the Curtis-Reed Bill was reintroduced in both Houses. Hearings were held, but no action was taken on the bill by the committees of either House.

1928—In May the Capper-Ketcham Act was passed.

This legislation, along with the supplementary Smith-Lever appropriations (passed February 16, 1929), was designed to make available additional funds under the provisions of the Smith-Lever Act. Capper-Ketcham funds were to be distributed upon a plan almost identical with that used in the parent Act,—\$980,000 for equal distribution and \$500,000 for apportionment.

1929—On February 18, just before the 70th Congress adjourned, Rep. J. M. Robison of Kentucky introduced in the House a bill calling for a Federal Department of Education with a secretary in the Cabinet. No action was taken on this bill before the adjournment of Congress.

1929—In May the National Advisory Council on Education was organized by Secretary of the Interior Ray Lyman Wilbur, and on December 3, President Hoover sent a message to Congress, stating he had appointed this body to investigate and present recommendations, "in view of the considerable difference of opinion as to policies which should be pursued by the Federal Government with respect to education."

1929—There were 19 bills introduced into the House and 16 into the Senate from 1929 to 1931, embodying in various ways aids to education, and in some instances offering to set up new federal agencies for participation in education.

On February 5, the George-Reed Act was passed and vocational education work begun under the Smith-Hughes Act was further developed by this Act, which appropriated additional Federal aid to the States and Territories for the salaries of teachers, supervisors, and directors of agricultural subjects and of home economics subjects. Additional aid for trade and industrial subjects was omitted from this law, total funds being divided equally between agricultural teaching and home economics teaching.

The U. S. Constitution and Federal Aid for Education

WHILE the word "education" does not appear in the Constitution of the United States, a number of its provisions have been so interpreted as to warrant the expenditure of local, state and Federal funds for varying degrees of aid to education, from the general free dissemination of information to direct aid, as in the case of land grant funds and agricultural experiment vocational education, stations, etc.

The principal provisions of the Constitution cited in this connection are the following:

"Art. I, Section 8, Par. 1. The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States."

This is the "General Welfare" clause, so frequently referred to.

"Art. I, Sec. 8, Par. 7. Congress shall have the power . . . to establish post offices and post roads."

Under this provision the free mailing privilege is extended to all Government departments, including the Bureau of Education, for the dissemination of information and other free services.

"Art. I, Sec. 8, Par. 8. The Congress shall have power To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive rights to their respective writings and discoveries."

The power granted Congress in this provision is considered an explicit declaration of authority to promote education.

"Art. I, Sec. 8, Par. 16. The Congress shall have power To provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the States respectively the appointment of the officers, and the authority of training the militia according to the discipline provided by Congress."

Under this provision the War Department, through officers of the regular army, cooperates with the states in the carrying on of military education.

"Art. I, Sec. 8, Par. 17. To exercise exclusive legislation in all cases whatsoever over such district (not exceeding ten miles square) as may, by cession of particular States and the acceptance of Congress, become the seat of Government of the United States and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dry-docks, and other needful buildings."

Under this provision Congress appropriates money for public schools in the District of Columbia, the Territories and on Federal areas where there are forts, camps, stations, institutions, etc.

"Art. I, Sec. 10, Par. 1. No State shall . . . pass any bill of attainder, "ex-post facto" law, or law impairing the obligation of contracts."

This provision was the basis of the decision of the Supreme Court in the "Dartmouth Case," decided in 1819. The Legislature of New Hampshire passed an Act amending the charter of Dartmouth College, granted by the British Government in 1769, on the ground that the State had contributed funds to the college. The Act provided for the appointment of additional trustees by the Governor. In its decision the Supreme Court of the United States, overruling the decision of the New Hampshire Supreme Court, held that Dartmouth was a private and not a public corporation, created by a charter granted to its trustees and their successors. The effect of the decision was to give security to all classes of chartered institutions against state interference.

On January 8, 1934, the Supreme Court, by a 5 to 4 vote, handed down a decision in the Minnesota Moratorium Law, to the effect that a law passed by the Minnesota Legislature extending to property owners the time in which they can redeem their property after foreclosure, the provisions of the Act being limited to May 1, 1935, was not in violation of the Constitution. The suit was based on the claim that the Minnesota law was contrary to the Constitution of the United States in that it impaired the rights of a contract, which contention was

upheld by the minority opinion. In the majority opinion, delivered by Mr. Chief Justice Hughes, it was held that the Minnesota Act was based on an emergency and that, therefore, the State was within its rights in passing the Act, to safeguard the interest of its citizens in the emergency. Those voting in the majority were Mr. Chief Justice Hughes and Justices Brandeis, Stone, Roberts and Cardozo. Those dissenting were Justices Van Devanter, McReynolds, Butler and Sutherland.

"Art. II, Sec. 2, Par. 2. He (the President) shall have power, by and with the advice and consent of the Senate, to make treaties, provided, two-thirds of the Senators present concur; and he shall nominate and by and with the advice and consent of the Senate shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers as they think proper in the President alone, in the courts of law, or in the heads of departments."

Under this provision Congress created the Bureau of Education, the Federal Board for Vocational Education and other educational offices and the President appoints the officers.

"Art. III, Sec. 2, Par. 1. The Judicial power shall extend to all cases, in law and equity, arising under this Constitution. . . ."

Under this provision the Supreme Court has protected educational institutions from acts of state legislatures deemed by the Court to be repugnant to the Constitution of the United States, thus implying that education is a national concern.

"Art. IV, Sec. 3, Par. 1. New States may be admitted by the Congress into this Union."

In passing enabling Acts for the creation of new states, Congress has repeatedly included specific educational provisions in the Acts.

"Art. IV, Sec. 3, Par. 2. The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

This provision covers Federal activity in education in the Territories.

"Art. X. The powers not delegated to the United States by Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

The implication of this provision is that education is a prerogative left to the States or to the people.

"Art. XIV, Sec. 1. All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. . . ."

The Fourteenth Amendment provides for citizenship of the United States distinct from citizenship in a state, which depends upon the requirements of a state constitution or a state law, supporters of the argument that the Federal Government should aid in education for better national citizenship.

"Art. XIV, Sec. 1 . . . nor shall any State deprive any person of life, liberty, or property, without due process of law. . . ."

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Established Government

Aids to Education

If education is taken in its broadest sense as meaning all deliberate attempts to inform people, to change their attitudes, or to perfect their skills, it may be said that there are few administrative units in the Executive Departments and the independent establishments of the Federal Government which are not concerned directly or indirectly with education.

The number of federal agencies concerned with formal education, conducted through classes, schools, school systems, and other organized programs of teaching is, of course, less. Each of the ten Executive Departments is directly responsible for the operation of schools or classes designed to train its own personnel. Many of them are also responsible in some degree for the education of our nationals in the States, in Territories, in outlying possessions, or in federal districts and reservations.

It is not possible to list accurately or comprehensively all the formal educational activities of the Federal Government within the vast national domain which stretches across a continent and over island possessions in two oceans.

Governmental reports do not reveal all that is done in the field of education by the Federal Government; but it is clear that there is not a single aspect of education which is not a concern of some branch of the Federal Government.

The total program includes liberal and vocational education, for both sexes and all ages, in school and out. It reaches from the earliest primary education to the most advanced graduate and professional training. It comprehends special education for every type of the physically, mentally, and socially handicapped. It deals with races and cultures of every kind and every degree of development.

In some instances the Government controls the particular educational policy and program completely; in others the regional or local authorities have almost exclusive autonomy. Between these two extremes of the exercise of power, every conceivable degree of variation is found. In one enterprise the Federal Government pays all the cost; in another it pays only part of the expense; in still another it contributes nothing at all. In one domain it determines both social and educational purposes; in another the people of the region and their political representatives exercise full control. Here, it provides the buildings; there, it does not. Here, it trains the teachers; there, it merely recruits them. So the policies and practices vary.

For instance, practically every Department manages schools for the training of its own personnel and is responsible for the education of the children on federal reservations under its own departmental jurisdiction. Likewise, each Department through its divisions, offices, bureaus, and sections diffuses scientific and other types of valuable information for the enlightenment of the public. Performing similar services, sometimes with con-

siderable overlapping, the various Departments show little evidence of cooperation or coordination in the efforts expended.

The education of the Indians in the Continental United States is under the jurisdiction of the Bureau of Indian Affairs; that of the native peoples of Alaska has but recently been transferred as a division from the Office of Education to the Bureau of Indian Affairs, while the schooling of the primitive peoples of our outlying possessions is left to the regional governments. Here again, though the problems have many common elements, evidence of cooperation does not appear.

Federal responsibility for education in the outlying possessions is likewise scattered, as is indicated by the following listings:

Philippine Islands—The Vice Governor of the Islands, who is appointed by the President, is ex-officio secretary of Public Instruction and Chairman of the Board of Regents of the University of the Philippine Islands, situated in Manila. Under him are five departments: (1) The University, (2) the Department of Education, (3) Private Schools, (4) Health, and (5) Quarantine; each with a head. The actual Director of Education is under the Secretary of Public Instruction but is nominated by the Governor-General. The nomination must be approved by the Local Council of State (all of whom are Filipinos except one) and confirmed by the Philippine Senate.

Puerto Rico—The Commissioner of Education is appointed by the President of the United States, and is locally responsible only to the Governor of Puerto Rico. He superintends all instruction, has charge of all disbursements, makes all courses of study, sets up rules governing the selection of teachers and has the power to veto teaching appointments made by local boards. Thus a federal appointee has almost autocratic powers.

Virgin Islands—The Governor appoints a Director of Education responsible only to him. There is a local general Board of Education the power of which is restricted to the review of educational matters and to the hearing of complaints. It has no power to act, other than to make recommendations to the Governor, except on minor problems.

American Samoa and Guam—The Naval Commandant is the Governor. Under him a Naval Chaplain, regularly appointed and assigned by the Bureau of Navigation, is in direct charge of the public schools. In both cases he is assisted by a Director of Education or a "Supervising Teacher."

Panama Canal Zone—A professionally trained Superintendent of Schools is appointed by the Governor (an Army officer), and responsible to him alone.

Hawaii—The Territorial Governor appoints for four years a Superintendent of Schools and six Commissioners, each serving two years, who act as a territorial board of education in general charge of all schools. They are responsible only to the Governor.

Alaska—The Schools for Whites are in charge of a locally selected territorial Commissioner of Education who is appointed for two years by the Territorial Board of

Education. The Schools for Natives are directly in charge of the Federal Government.

The Panama Canal Zone, Alaska, the Virgin Islands, and Guam have Federal appropriations which were used for education. In the Panama Canal Zone this appropriation supports two sets of schools, one for Whites and the other for Blacks, both under the same Superintendent.

In Alaska the federal appropriation is only for the school system of the native population. The regular territorial elementary and secondary schools for the Whites receive no aid except twenty-five per cent from the Alaska Fund which is made up of federal taxes collected in Alaska, about \$50,000 a year.

Higher education and research have fared better in the Territories and outlying possessions. Federal Land-Grant Colleges of Agriculture and Mechanic Arts have been founded in Hawaii, Alaska, and Puerto Rico, but not in the Philippines, American Samoa, Guam, Virgin Islands, or Canal Zone. Agricultural Experiment Stations are subsidized in the three places having agricultural colleges, and also in the Virgin Islands and Guam. In the Panama Canal Zone horticultural gardens have been established. The Territories of Hawaii and Puerto Rico also receive the benefits of the Smith-Lever Act for cooperative agricultural extension work, and the Smith-Hughes Act for vocational education in agriculture, home economics, trade and industries, and the Smith-Bankhead Act for civilian vocational rehabilitation. Alaska also receives the Smith-Lever funds.—*Extracts, see 2, p. 64.*

The Emergency Agencies and Education

by William Dow Boutwell

Editor, School Life, U. S. Office of Education

ALTHOUGH not specifically created for the purpose, many of the Government agencies under the New Deal are aiding in various ways the cause of education. The Office of Education advises recovery agencies on the educational aspects of the programs; informs educators of recovery program authorizations important to schools; and lends members of its staff to develop CCC and Emergency Education Program under FERA.

The principal recovery agencies engaged in aid to education are the following:

NEC. (National Emergency Council.) The liaison agency for the whole Recovery program, which is organizing local councils to which it is expected school people can address questions instead of writing to Washington.

NRA or NIRA. (National Industrial Recovery Administration.) Banished child labor in industry; drafts codes affecting all supplies schools buy; sets up training standards for apprentices; eliminates private schools from codes; and intensifies the school problem of helping

Americans to use their greatly increased leisure time to advantage.

TVA. (Tennessee Valley Authority.) Employees combine work and study preparing themselves for other jobs after the two great Tennessee River dams are completed.

AAA. (Agricultural Adjustment Administration.) Is enlisting vocational education to aid farmers to adjust themselves to the new farm product control program.

ECW. (Emergency Conservation Work. Called CCC, Civilian Conservation Corps, by the War Department.) Putting into effect the greatest informal practical education program ever undertaken by the Federal Government. The Office of Education is selecting 1,500 camp educational advisers who are helping to prepare the 300,000 young men to meet the problems which will face them in the work-a-day world to which they will return.

SAB. (Science Advisory Board.) A group of distinguished scientists who are surveying the scientific services of the Federal Government and making recommendations.

FSHC. (Federal Subsistence Homesteads Corporation Department of the Interior.) Has \$25,000,000 with which to develop communities in which workers can combine industrial and small scale farming work and thus achieve a redistribution of population on a better economic basis. New type schools will probably be community centers on these projects.

FERA. (Federal Emergency Relief Administration.) Received \$500,000,000 from the RFC for cooperative measures with States and communities for relief of the needy. Having transferred 2 million persons from relief rolls to CWA projects, the FERA still has among its services: the Emergency Educational Program, which is hiring 40,000 needy teachers to (1) teach rural schools which would have to close due to lack of funds; (2) teach illiterates to read and write; (3) teach adults in any courses which would be useful to them; (4) teach anyone in need of vocational education; (5) teach anyone in need of rehabilitation training due to physical handicaps; (6) teach and organize nursery schools; the Women's Division, which is creating jobs for needy women, including schools of instruction in sewing and cooking. L. R. Alderman, Chief, Service Division, Office of Education, is in charge of this FERA work, assisted by numerous other Office of Education staff members. Programs drafted under these authorizations by the State departments of education have been approved.

CWA. (Civil Works Administration.) Managed by Harry L. Hopkins, who also directs FERA, but is financed by PWA (\$400,000,000). CWA is paying wages to 4,000,000 workers (2,000,000 from relief rolls; 2,000,000 from employment offices) for short-time, non-contract type of public work projects, among which are repairs and redecoration for schools and libraries, improvement of playgrounds, building of playground apparatus, etc. Its Public Works of Art project calls for employment of needy artists to decorate walls of public buildings such as schools, libraries, and colleges.

PWA. (Public Works Administration.) Received \$3,300,000,000 for allotment to public works among which are schools, colleges, and libraries which have been granted more than \$20,000,000 on either of two terms: (1) 30 per cent gift from Federal Government, 70 per

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Uncle Sam Faces a Crisis in Education

by Dr. George F. Zook

U. S. Commissioner of Education

WHAT has happened to education in the economic crisis?

What is being done to bring about recovery in education?

What further steps are in prospect?

These are questions which citizens throughout the United States are asking.

The first question is not easy to answer. The last two can be answered with a greater degree of accuracy.

Question No. 1. What has happened to education in the economic crisis?

To answer this is to try to tell what is happening in 127,000 individual school districts in the United States. Some of the State superintendents have more than 10,000 school districts to hear from. Obviously, the picture will change faster than the data can be summarized. Reports indicate, however,

1. On December 1, 770 schools in 46 States were closed with no provision for the education of the children enrolled.

2. Since many schools expect to operate only 3 months, it is probable that 2,500 schools were closed by January 15, 1934.

3. Nearly 11,000 schools will have terms between 3 and 6 months.

4. City schools are employing 18,000 fewer teachers than in 1930.

5. Cost of operating American public schools is \$368,000,000 lower this year than in 1930.

6. In the face of reductions in personnel and appropriations enrollment increased 613,000 between 1930 and 1932.

7. Since 1930 in 700 typical cities, 103 reduced art instruction, 139 reduced music instruction, 109 reduced physical education instruction, 111 reduced health instruction, and 24 reduced home economics instruction.

8. Textbook purchases dropped one-third from 1930 to 1932.

9. Colleges and universities have reduced their teaching force by about 5,680 teachers in the last two years.

To be understood these figures need to be considered against a background of school conditions in 1929 and how the economic crisis struck education.

A cross section of our school districts is like a cross section of our population. There are strong districts and weak districts. There are wealthy districts and poor educational slum districts.

Our public school system is not a system, in the full sense of the word, but a checkered sector of our social organism where democratic ideal of equality of opportunity is not operating.

Even in the "prosperous" days of the last decade some districts were not strong enough to provide schooling. Counties and states have been called to the rescue. Even then not all young people were enrolled in schools.

The crash of the stock market did not immediately echo through the school rooms. So school kept as usual in 1930 and in 1931. But in 1932 evidences of the impact of the economic depression on education began to be apparent. Postgraduates flocked back to the high schools. Budgets ceased to rise with enrollment; some fell back. Classes were increased in size. Building and repair practically ceased. Fewer books and supplies were ordered.

By 1933 deflation of public education had caught the pace of deflation in our industrial life.

It happened in this manner. Schools in the United States are commonly supported by a tax on land because when public schools were first organized land was the most convenient index to the capacity of individual citizens to share in the maintenance of schools. Educators have long recognized that the rise of industrialism to parity with agriculture has made this index as antiquated as the one horse shay. Educators urged that schools be supported by taxes that had a closer correlation to modern manifestations of income and wealth. But the prosperity chorus drowned the voices of these prophets of approaching disaster.

The steady decrease in the value of farm land beginning in the early twenties first pinched the rural schools. After 1929 city property also began to decline. Depression, crushing local real-estate values, began to undermine the foundations of public schools. Citizens, eager for adequate education for children, found their wishes blocked by:

1. Top-heavy mortgages. — Fixed payments due on mortgages on farms and homes became heavier and heavier burdens as incomes declined. As a result many a citizen has been forced into this bitter dilemma: Shall I save my home or farm or shall I save the school?

2. Tax delinquencies. — Many citizens caught in the whirlpool of deflation have been unable to pay taxes. Delinquencies in taxes for schools run as high as \$100,000,000 in a single State.

3. Tax limitations. — Alarmed at the prospect of losing their homes or farms because of failure to pay taxes, citizens have secured legislation sharply limiting the tax rate on real estate and thereby the amount which can be raised to pay for schools.

4. Closed banks. — Closing of banks was an added blow. School funds frozen in banks in one State total \$15,000,000.

5. Lower assessments. — Decrease of real-estate values brought a decrease in assessed value for taxing purposes,

which brought a decrease in the amount which a given tax rate will provide for schools.

6. Differences in wealth.—A tax of \$10 on every \$1,000 of property for school support would produce \$58 per child in one State; \$457 in another. Thus States stagger under unequal burdens in trying to maintain equality of educational opportunity.

School patrons have turned to State governments for help. A few States have come to the rescue of hard-pressed school districts. In most cases relief and other needs prevent States from rendering assistance to schools.

To save a leaky craft caught in one of the worst financial storms in American history school boards and administrators took heroic and painful measures.

They cut their budgets by one-fifth between 1930 and 1933.

Since teachers' salaries are normally 75 per cent of a school budget, this can mean but one thing, sharp reductions in teachers' salaries.

Prospects are that 1 in every 4 teachers will receive this year less than \$750. This is less than the Reemployment Agreement minimum wage scale for persons operating under the codes for unskilled labor.

Thousands of teachers are not even receiving the small salary now assigned to them. They are receiving warrants instead. In at least 18 States teachers are being paid in warrants cashable at discounts ranging from 5 per cent up. In some instances banks and merchants will not accept warrants.

Other treasures of good school administration have been tossed overboard; normal-sized classes, balanced teaching schedules, normal additions to the stock of books and supplies, supervision, valuable innovations to curriculums, kindergartens, school nurses, library service, special aid for the handicapped.

Particularly alarming have been the sacrifices in length of school term. The United States has always lagged behind European practice, but we had been moving steadily toward the mark of a nation-wide 180-day term.

The obvious savings in lopping two weeks, a month or more were too much for many hard-pressed school boards to resist. Approximately 2,000,000 American school children will this year go to school two-thirds or less than the normal number of days needed to provide adequate education.

So much for the conditions confronting education. What is being done to bring about recovery in education?

The answer to this is threefold. It must include what is being done on a local, State and National basis.

Most localities are still in the stage of budget cutting. A few, aided by general recovery, are beginning to pay warrants and raise salaries.

Extensive overhauling of State educational legislation has taken place. Sales and other new taxes designed to tap wealth reservoirs more equitable have been levied and distributed to local schools. Larger units of administration have been adopted in some places.

Since our national policy has been to leave responsibility for education to local and State units, it was not to be expected that the Federal Government would, under the pressure of the emergency, rush into the school field. The Federal Government went into action against the forces of depression in spheres in which it had had experience such as banking. After three years of hard-

ship had drained the resources of localities and States the Federal Government also went into a new field, relief.

Because there has been no fundamental change in American thinking in regard to responsibilities for schools resting with localities, there has been no direct assistance, as such, to school districts in distress.

However, the Federal Government has adapted recovery measures where possible to aid education.

The strength of the Public Works Administration and the Civil Works Administration has been lent to public schools with repair and building needs. The strength of the Federal Emergency Relief Administration has been lent to aid unemployed teachers (estimated to number 200,000) who have been engaged to conduct educational activities other than those which communities might expect to carry on, such as adult education and emergency nursery schools. The strength of the Civilian Conservation Corps has been used to aid young men, out of school but unemployed. Educational advisers are being selected for each of 1468 camps to instruct and advise these young men in order that they may enter upon the duties of citizenship better trained to discharge their duties and achieve the opportunities within range of their abilities.

Moreover, the Federal Government combined the Office of Education and the Federal Board for Vocational Education in order to unify and strengthen the educational consultative and advisory service which was started more than 60 years ago.

What further steps are in prospects?

For many months now the Office of Education has received a steady stream of letters and resolutions from individuals, associations, school boards, and State and regional officials and organizations on the subject of Federal aid for education. The blight of depression on schools has prompted many to look for help to the Federal Government.

Since this was such a live issue an advisory conference of representatives of educational and civic organizations interested in this problem was called in the fall. After extended discussion at three meetings these representatives agreed upon a proposed program for Federal aid to education. Some of the provisions of this program call for a further extension of Federal emergency measures now operating to alleviate the difficulties of the schools. As a result of this advisory conference a separate and independent committee was set up to present the joint requests of a considerable group of national civic and educational organizations before the Administration and Congress.

This brings the problem of the schools down to date:

It is difficult to know what the future holds. Some trends, however, are evident. Limitations on hours of work are increasing the leisure time of Americans. This creates a responsibility for education to help work out adult education and recreation programs to enable Americans to use this new "dividend" of life in America to their own advantage and to the advantage of our national life.

Increasing mechanization and the advancing science of management create a need for more specialized and more efficient workers. Here is another job for education.

Lack of widespread employment opportunities will make it difficult for many years to come for young people

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American Educators Offer a Plan for Federal Aid

by James H. Richmond

Superintendent of Education, Kentucky;
Chairman, National Committee for Federal
Aid in Education

COMMUNITIES and States in this crisis have struggled to meet the imperative educational needs of childhood. Greatly handicapped by decreased revenues they look to the Federal government for substantial emergency relief to education. Upon the call of United States Commissioner of Education, George F. Zook, representatives of thirty-two national organizations met recently in Washington in the Federal Advisory Committee on Emergency Aid in Education, and outlined a proposed program of relief for schools.

The Committee, fully cognizant of the aid now being rendered the schools by the Federal relief agencies, recommended to the Administration and to Congress the following six types of emergency aid to education,

(1) The emergency problem of keeping elementary and secondary schools open on as nearly normal a basis as possible during the school year 1933-34 should be met by a federal appropriation of \$50,000,000 to be allocated according to emergency needs in the several States. This sum may be provided in one of two ways:

(a) by a special provision in the relief act, or less preferably

(b) by a separate federal appropriation.

In either case such appropriation shall be administered preferably by a Board of which the U. S. Commissioner of Education shall be chairman and executive officer.

(2) In view of the fact that the inability of many communities adequately to maintain schools is certain to continue during the fiscal year 1934-35 a federal emergency appropriation or allocation of not less than \$100,000,000 should be made available beginning July 1, 1934; this appropriation or allocation to be distributed in an objective manner, determined by a Board of which the U. S. Commissioner of Education shall be chairman and executive officer, and based upon reasonable evidence of needs and resources.

(3) That the instability of educational support even in the abler States and communities, due to the shrinkage of local ability to support schools during the depression, constitutes an aspect of the present emergency of such proportion as to endanger the effectiveness of the schools throughout the nation. The fundamental relief which is necessary in order that public educational institutions may be adequately supported can be secured only through the adoption of measures for the federal emergency aid to education during 1934-35. The situation is so critical in

education that the people are justified in using federal funds to insure the normal operation of schools. Accordingly, it is recommended that a substantial sum be distributed from the federal treasury to the various States to assist them in meeting this phase of the emergency.

It is the sense of this conference that the method of distribution should provide first, that a flat sum objectively determined be distributed to all States; second, that a supplemental sum objectively determined but weighted to meet the needs of the poorer States be included in the distribution; and third, that the method of distribution be stated in the statutes, provided that a contingent fund not to exceed ten per cent of the amount so provided for 1934-35 be reserved for distribution to States and local units to meet exceptional and unforeseen needs under the direction of a Board of which the U. S. Commissioner of Education shall be chairman.

(4) Local funds should be released for school maintenance by:

(a) Refinancing school district indebtedness or such municipal or county indebtedness as may have been incurred in behalf of the schools.

(b) Providing federal loans to school districts or to municipal or county corporations, where (in the case of the latter) the loan is to be used for educational purposes; provided that in both instances the loan shall rest on the security of delinquent taxes, frozen assets in closed banks, or other acceptable securities.

(5) Out of any new appropriations made for Public Works not less than 10 per cent should be allocated for buildings for schools, colleges, and other educational enterprises. Such grants shall be available provided that an approved survey has been made, and that the survey shows the need for the buildings. In cases where such surveys have not already been made these surveys shall be made under the direction of the Office of Education through a decentralized regional organization. The cost of these surveys shall be charged to the Public Works appropriation for school plants. We recommend that the grants for such projects be made on a 100 per cent basis. In administering this fund major attention should be given to the needs of the rural schools.

(6) A federal appropriation or allocation of \$30,000,000 should be provided to assist students to attend institutions of higher education for the period ending July 1, 1935, by

(a) special provision in existing acts, or

(b) by a separate federal appropriation.

This fund should be administered by the U. S. Office of Education.

The nation must look to its college-trained men and women for the leadership of tomorrow, just as it turns to the elementary and secondary schools for the development of sound citizenship which must not be swept from the firm rock of American ideals into the shallows of untied social and governmental schemes.

The appalling facts which led to the adoption of this comprehensive program for emergency aid to education have moved prominent lay groups of the nation to come

to the rescue of the schools. In a recent public statement the American Legion says, "Our schools are being attacked by a dangerous enemy—an enemy which seeks to tamper with the education of our coming generation. What more proper method of defending the democratic institutions of our nation exists than the guarantee of a complete, full-school opportunity for every child under the American flag?"

Every citizen concerned in the welfare of childhood and in the future of the nation has a direct interest in these proposals for the relief of handicapped childhood.

The Federal government has given or advanced billions of dollars in saving homes and farms, in rehabilitating banks and industrial institutions; hundreds of millions of dollars have been expended in road building; and none of these gifts or loans is open to legitimate criticism. Adequate educational opportunities for the thirty million school children of America are of no less importance, however, and must likewise command the sympathetic attention of the Federal government. The hope of the more abundant life held out by the New Deal cannot ignore the fundamental rights of the children of the depression, if it is to fulfill our hopes and justify our faith. Prompt and courageous action must be had to meet this deepening crisis in education.

After submitting its recommendations to Dr. Zook for transmittal to the Administration, the Advisory Committee was dissolved and the educational organizations represented on it formed the National Committee for Federal Aid in Education, of which I was designated Chairman. It is the purpose of this Committee to press independently for emergency and permanent Federal aid for education.

The Committee has established headquarters at the Powhatan Hotel in Washington and is now engaged in advising with members of both Houses of Congress on drafting bills to be introduced in Congress to carry out our program. Our immediate objective, of course, is to obtain emergency funds to meet the needs of this year and next, after which we will take up permanent aid legislation.

The 32 organizations represented on the Advisory Committee for Emergency Aid in Education and the names of their committee members follow:

National Grange—Louis J. Taber, Master, Columbus, Ohio.

American Legion—Russell Cook, National Director, Indianapolis, Ind.

League of Women Voters—Belle Sherwin, Pres., Washington, D. C.

National Congress of Parents and Teachers—Mrs. Hugh Bradford, Pres., Washington, D. C.; Mrs. William T. Bannerman, Chairman Committee on Legislation, Washington, D. C.

American Federation of Labor—Selma Borchardt, Washington, D. C.

Progressive Education Association—Paul R. Mort, Teachers College, Columbia U., New York City; W. W. Beatty, Supt. of Schools, Bronxville, N. Y.

National Education Association—Jessie Gray, Pres., N.E.A., Washington, D. C.; Joseph H. Saunders, Supt. of Schools, Newport News, Va.; William G. Carr, N.E.A. Research Director, Washington, D. C.

Department of Superintendence, (N.E.A.)—Paul C.

Stetson, Pres., Dept. of Superintendence, Indianapolis, Ind.; Edwin C. Broome, Supt. of Schools, Philadelphia, Pa.; David E. Weglein, Supt. of Public Instruction, Baltimore, Md.; J. W. Studebaker, Supt. of Schools, Des Moines, Iowa; Homer W. Anderson, Supt. of Schools, Omaha, Nebr.

Council of State Superintendents—Sidney B. Hall, Supt. of Public Instruction, Richmond, Va.; James N. Rule, Supt. of Public Instruction, Harrisburg, Pa.; Payson Smith, Commissioner of Education, Boston, Mass.; A. T. Allen, Supt. of Public Instruction, Raleigh, N. C.; James H. Richmond, Supt. of Public Instruction, Frankfort, Ky.; Charles A. Lee, Pres., State Superintendents of Schools, Jefferson, Mo.

American Council on Education—Charles H. Judd, U. of Chicago, Chicago, Ill.; C. R. Mann, Director, Amer. Coun. on Ed., Washington, D. C.; William F. Russell, Teachers College, Columbia U., New York City.

Brookings Institution—Arnold B. Hall, Director, The Brookings Institution, Washington, D. C.

American Vocational Association—Ray Fife, Pres. State Supervisor Vocational Agriculture, Columbus, O.

National Catholic Welfare Conference—Dept. of Ed.—Rev. George Johnson, Director, Washington, D. C.

National Association of Secretaries of State Teachers Associations—George D. Hann, Pres. Supt. of Schools, Clinton, Okla.; J. Herbert Kelley, Harrisburg, Pa.

Association of Urban Universities—R. A. Kent, U. of Louisville, Louisville, Ky.; Parke R. Kolbe, Pres., Chmn., Dept. of Ed., E. Boston, Mass.

U. S. Chamber of Commerce—Henry I. Harriman Pres., Washington, D. C.

Country Life Association—James E. Butterworth, Cornell U., Ithaca, N. Y.

Scottish Rite Supreme Council—John H. Cowles, Washington, D. C.; Elmer Rodgers, Washington, D. C.

American Association of University Women—Kathryn McHale, Gen. Director, Washington, D. C.

State University and Land-Grant Colleges—Lotus D. Coffman, Pres. U. of Minn.; Walter A. Jessup, State U. of Iowa, Iowa City, Ia.; Edward C. Elliott, Pres. Purdue U., Lafayette, Ind.

Joint Commission on Emergency in Education—John K. Norton, Chairman, Teachers College, Columbia U., New York City.

New York State Dept. of Education—Alfred D. Simpson, Albany, N. Y.

American Alumni Council—Herbert F. Taylor, Pres. Worcester Polytechnic Institute; Felix A. Grisette, U. of N. C., Chapel Hill, N. C.

American Federation of Teachers—Henry R. Linville, Pres., New York City.

Jewish Community Center of Washington—Morris Sisgyer, Execut. Direct., Washington, D. C.

National Y. W. C. A.—Elizabeth Eastman, Washington, D. C.

American Federation of Farm Bureaus—Edward A. O'Neal, Pres., Chicago, Ill.; Chester Gray, Washington, D. C.

Veterans of Foreign Wars—James E. Van Sant, Washington, D. C.

American Home Economics Association—Frances Zuill, Pres., Washington, D. C.

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Education Bills Pending in Congress

Listed by Lewis A. Kalbach,
Chief Clerk, U. S. Office of Education

Among the most noteworthy of the bills affecting education introduced during the present session are H. R. 6533 providing for Federal aid to weak school districts, H. R. 6367 authorizing and directing the Reconstruction Finance Corporation to make loans on teachers' salary warrants, and S. 2119 authorizing the appropriation of \$3,750,000 annually for the further development of vocational education. The last mentioned bill is intended to permit the continuance of the work carried on under the George-Reed Act which expires on June 30, 1934, and to provide additional funds for trade and industrial education.

The bills introduced up to January 8 are as follows:

H. R. 6174. To extend to the Territory of Alaska the benefits of the Adams and Purnell Acts in behalf of agricultural experiment stations and the Capper-Ketcham Act for the further development of agricultural extension work; authorizes annual appropriations to carry into effect the provisions of this bill, as follows: For agricultural experiment station for the fiscal year 1935, \$10,000; 1936, \$15,000; 1937, \$20,000; 1938, \$25,000; 1939, \$30,000; 1940, \$35,000; 1941, \$40,000; 1942, \$45,000; 1943, \$55,000; 1944, \$65,000; 1945, \$75,000; and thereafter a sum equal to that provided for each State and Territory under said Adams and Purnell Acts. For agricultural extension work for the fiscal year 1935, \$5,000; 1936, \$10,000; 1937, \$15,000; 1938 and annually thereafter \$20,000. (Introduced January 3, 1934, by Mr. Dimond of Alaska and referred to Committee on Agriculture.)

H. R. 6367. Authorizes and directs the Reconstruction Finance Corporation to accept at full face value for a loan all teachers warrants regularly issued and due for teachers' salary in the United States from January 1, 1933, to January 1, 1934, the rate of interest on such loans not to exceed 3 per cent per annum. (Introduced January 4, 1934, by Mr. Glover of Arkansas and referred to Committee on Banking and Currency.)

H. R. 6469. Authorizes the expenditure from the appropriation for public work of \$50,000 for cooperation with the public-school board of Wolf Point, Mont., in the construction, extension, and betterment of the public school building at Wolf Point on condition that all the school or schools maintained in said building shall be available to all Indian children of school age of the Fort Peck Indian Reservation on the same terms, except as to payment of tuition, as other children of said school district and that accommodations in said building to the extent of one-half its capacity shall be available for such Indian children. (Introduced January 5, 1934, by Mr. Ayers of Montana and referred to Committee on Indian Affairs.)

H. R. 6533. Declares the public schools of the United States a proper subject for Federal Aid; authorizes and directs the Secretary of the Interior to allocate to such public schools as are unable to maintain their regular school terms such sums as are sufficient to maintain such terms as they were maintained on an average for the school years of 1931, 1932, and 1933; such funds shall be used only for payment of regular teachers' salaries in such schools and shall be allocated to said schools upon a fair and equitable basis and shall be administered by the Secretary of the Interior through the Office of Education; no department of Government shall exercise any control, authority, or supervision over the curriculum or management of any of said schools; necessary funds to be made available from appropriations made or which may hereafter be made to carry out the provisions of the National Recovery Act; provides that all warrants for teachers' salaries regularly issued between July 1, 1932, and July 1, 1934, shall be considered as eligible for loans by any department or branch of Government as designated by the Secretary of the Interior at their full face value at a rate of interest not to exceed 1 per centum per annum. (Introduced January 8, 1934, by Mr. Swank of Oklahoma and referred to Committee on Education.)

H. R. 6554. Authorizes one professor of physics at the U. S. Military Academy. (Introduced January 8, 1934, by Mr. McSwain of South Carolina and referred to Committee on Military Affairs.)

H. R. 6570. Authorizes Reconstruction Finance Corporation to make loans to public school districts, such loans to be made through the purchase of bonds issued by the board of education; further security may be required in the form of a first lien upon real property of such school districts not used for school purposes; loans to be made for a period not to exceed 10 years at such rates as the Corporation may approve; such time limit may under certain circumstances be extended. (Introduced January 8, 1934, by Mr. Sabbath of Illinois and referred to Committee on Banking and Currency.)

S. 1977. Authorizes an appropriation of \$40,000 for the purpose of cooperating with the public school board of Brockton, Mont., in the extension and betterment of the public-school building at Brockton, provided the school shall be available to all Indian children of the Fort Peck Indian Reservation, Montana, on the same terms, except as to payment of tuition, as other children of said school district and that accommodations in said building to the extent of one-half its capacity shall be available for such Indian children. (Introduced January 4, 1934, by Mr. Wheeler of Montana and referred to Committee on Indian Affairs.)

S. 2042. Same as H. R. 6554. (Introduced by Mr. Sheppard of Texas and referred to Committee on Military Affairs.)

S. 2103. Authorizes Reconstruction Finance Corporation to make loans to any corporation, trust, foundation, congregation, organization, or association organized under the laws of any State or Territory and operated for religious purposes to aid in financing the operation and maintenance of institutions for religious instruction and worship at a rate of interest not to exceed 4 per centum

per annum; loans may be made for a period of 5 years and real estate owned by any institution authorized to borrow shall be deemed adequate security. (Introduced January 8, 1934, by Mr. Capper of Kansas and referred to Committee on Banking and Currency.)

S. 2119. Authorizes the appropriation for the fiscal year 1935 and for each year thereafter of \$3,750,000 for the further development of vocational education, one-third of the sum to be allotted to the States and Territories on the basis of farm population and to be used for salaries of teachers, supervisors, and directors of agricultural

subjects, one-third on the basis of rural population to be used for salaries of teachers, supervisors, and directors of home-economics subjects, and one-third on the basis of non-farm population to be used for salaries of teachers, supervisors, and directors of trade and industrial-education subjects; authorizes an annual appropriation to the Office of Education, for vocational education, of \$100,000 for administrative and research work in connection with the carrying out of the above provisions. (Introduced January 10, 1934, by Mr. George of Georgia and referred to Committee on Agriculture and Forestry.)

WEALTH OF STATES AND THEIR EXPENDITURES FOR EDUCATION

(Table prepared by W. G. Carr, Director Bureau Research, N. E. A.)

States	Value of tangible wealth 1930	Estimated income 1933	Population ages 6 to 17 years 1930	Total population 1930	Percent of total population ages 6 to 17 years	Wealth per child ages 6 to 17 years	Income per child ages 6 to 17 years	Expenditures per child in average daily attendance 1930	Rank in column 7	Rank in column 8	Rank in column 9
1	2	3	4	5	6	7	8	9	10	11	12
United States	\$322,735,000,000	\$72,141,000,000	29,066,072	122,775,046	23.67	\$11,103.50	\$2,481.97	\$108.49	—	—	—
Alabama	3,055,000,000	763,973,190	750,590	2,646,248	28.36	4,081.45	1,017.83	45.44	48	47	45
Arizona	1,366,000,000	241,672,350	106,735	435,573	24.50	12,798.05	2,264.23	142.87	24	30	6
Arkansas	2,655,300,000	598,048,890	513,794	1,854,482	27.71	5,167.44	1,163.99	42.77	44	45	47
California	15,432,000,000	3,546,431,560	1,047,263	5,677,251	18.45	14,736.95	3,386.40	162.70	10	7	12
Colorado	3,286,000,000	707,703,210	340,326	1,035,791	23.20	13,673.09	2,944.76	125.10	18	14	17
Connecticut	5,465,000,000	1,123,235,370	373,105	1,606,903	23.22	14,647.35	3,010.31	128.84	11	12	11
Delaware	646,000,000	163,766,070	53,417	238,380	22.41	12,093.53	2,065.69	139.68	28	10	8
District of Columbia	1,729,000,000	515,408,150	80,989	486,869	16.63	21,348.58	4,368.87	183.53	2	1	3
Florida	2,532,000,000	440,060,100	348,616	1,468,211	23.74	7,263.01	1,262.31	69.38	38	44	39
Georgia	4,005,000,000	1,042,437,450	825,311	2,908,506	28.37	4,853.30	1,263.24	34.52	46	43	49
Idaho	1,391,000,000	266,921,700	117,446	445,032	26.39	13,563.68	2,272.72	104.85	19	29	27
Illinois	22,653,000,000	5,559,906,870	1,635,445	7,630,634	21.43	13,852.50	3,399.63	127.39	17	6	13
Indiana	9,045,000,000	1,762,404,630	719,734	3,238,503	22.22	12,567.14	2,448.69	105.58	27	26	26
Iowa	10,686,000,000	1,404,585,270	567,130	2,470,939	22.95	18,842.24	2,476.65	109.10	4	23	24
Kansas	6,369,000,000	1,075,622,310	438,812	1,886,999	23.33	14,514.19	3,451.21	106.31	13	25	25
Kentucky	3,664,000,000	1,004,202,720	688,959	2,614,589	26.35	5,318.17	1,457.57	53.00	43	40	42
Louisiana	3,506,000,000	794,393,820	357,200	2,101,593	26.51	6,292.18	1,426.77	62.07	42	41	40
Maine	2,068,000,000	486,951,730	179,594	797,423	22.52	11,514.86	2,711.40	80.78	36	30	35
Maryland	4,100,000,000	1,086,443,460	370,291	1,631,526	22.70	11,072.37	2,934.03	104.00	33	15	30
Massachusetts	13,389,000,000	3,604,164,360	922,537	4,249,614	21.71	14,513.24	3,906.80	127.24	14	4	14
Michigan	11,781,000,000	2,711,223,010	1,096,427	4,842,325	22.64	10,744.90	2,474.60	140.13	33	24	7
Minnesota	8,741,000,000	1,416,849,240	606,753	2,563,953	23.66	14,406.19	2,335.13	112.86	15	28	20
Mississippi	2,237,000,000	523,022,250	562,343	2,009,821	27.98	3,978.00	930.08	39.87	49	49	48
Missouri	10,245,000,000	2,056,018,500	792,170	3,629,367	21.83	12,932.83	2,595.43	96.99	23	22	32
Montana	2,290,000,000	356,376,340	131,942	537,606	24.38	17,475.31	3,719.56	129.80	6	19	10
Nebraska	5,419,000,000	745,937,940	329,809	1,377,963	23.93	16,430.72	2,261.73	104.63	8	31	29
Nevada	547,000,000	75,026,640	17,452	91,058	19.17	11,343.11	4,299.03	183.95	1	2	2
New Hampshire	1,418,000,000	301,549,380	100,439	465,293	21.59	14,118.02	3,002.31	104.81	16	13	28
New Jersey	12,149,000,000	2,649,017,520	911,617	4,041,334	22.56	13,326.87	2,905.84	173.69	20	16	4
New Mexico	874,000,000	178,909,680	115,960	423,317	27.39	7,537.08	1,942.86	89.03	37	38	34
New York	37,766,000,000	11,007,273,780	2,580,891	12,588,066	20.50	14,632.92	4,264.91	191.87	12	3	1
North Carolina	4,719,000,000	941,440,050	942,466	3,170,276	29.73	5,007.08	998.91	55.40	45	48	41
North Dakota	2,490,000,000	306,599,250	188,751	680,845	27.72	13,191.98	1,624.36	110.66	21	37	21
Ohio	19,066,000,000	4,192,113,510	1,472,379	6,646,697	22.15	12,949.11	2,847.17	127.16	22	18	15
Oklahoma	4,046,000,000	1,057,587,060	638,516	2,396,040	26.65	6,339.70	1,656.32	69.76	40	33	38
Oregon	3,504,000,000	603,028,760	198,709	953,786	20.83	17,633.83	3,035.09	126.14	5	11	16
Pennsylvania	29,614,000,000	6,706,227,360	2,350,699	9,631,150	24.41	12,597.95	2,852.87	110.31	26	17	22
Rhode Island	1,982,000,000	529,514,940	136,408	687,497	22.75	12,671.99	3,385.47	128.13	25	8	12
South Carolina	2,476,000,000	585,063,510	544,284	1,738,765	31.30	5,459.10	1,074.92	45.60	47	46	46
South Dakota	3,024,000,000	353,490,900	180,279	692,849	26.02	16,774.00	1,960.80	110.29	7	33	23
Tennessee	4,373,000,000	877,955,970	690,063	2,616,556	26.37	6,337.10	1,272.28	47.00	41	43	44
Texas	10,067,000,000	2,601,404,460	1,469,039	5,824,715	25.68	6,729.10	1,738.86	72.77	39	34	37
Utah	1,582,000,000	258,986,190	141,197	507,847	27.80	11,204.20	1,834.22	96.26	21	33	33
Vermont	863,000,000	212,815,950	80,669	359,611	22.43	10,698.04	2,638.14	97.63	34	31	31
Virginia	5,046,000,000	1,009,645,540	658,326	2,631,851	27.18	7,664.90	1,527.58	51.71	36	39	43
Washington	5,343,000,000	1,083,557,820	331,179	1,653,396	21.18	15,828.30	3,271.82	120.37	9	9	18
West Virginia	4,817,000,000	778,401,390	475,273	1,729,803	27.49	10,133.23	1,637.80	80.62	35	36	36
Wisconsin	8,084,000,000	1,632,750,210	685,826	2,939,006	23.34	11,787.25	2,409.87	113.41	29	27	19
Wyoming	1,014,000,000	181,795,320	52,912	225,545	23.46	19,163.69	3,435.81	133.83	3	5	9

Sources of data: Figures of column 2 are estimates of the National Industrial Conference Board. The national figure on income given at top of column 3, is an unpublished estimate by the National Bureau of Economic Research. This total was distributed among the states on the basis of the average of the total national income found in each state in the years 1919, 1920, and 1921, as estimated by the National Bureau of Economic Research. Figures of columns 4 and 5 are from the U. S. Census. Those of column 9 are from U. S. Department of Interior, Office of Education.

Should Federal Funds be Spent for Public Education?

P R O

Arguments Favoring

THE difficulties faced in the financing of schools throughout the country arise from the following causes: (1) The contraction of the property tax base, which is the chief source of local support. (2) The reduction in state support due to the contraction of the state tax base without corresponding adjustments in state revenues. (3) Tax delinquencies. (4) Loss or freezing of school money due to the closing of banks.

All indications are that the educational system has been particularly responsive in attempting to meet the situation by the introduction of economies through the reduction of services and salaries. The lowering of revenues, however, has been so drastic that serious retrenchments have been made in the educational program far and wide, and no small number of schools have actually closed their doors. It is common knowledge that retrenchments are commonly made in those activities of the school where most progress has occurred in the last decade in adapting the schools to the new demands of the social order. At a time when schools should be particularly alert in helping to meet new conditions, far too many of the individuals equipped to help in meeting these conditions have been removed from the payrolls, and in a vast number of communities schools have been reduced to the task of dishing out traditional subject matter. Attention to individual boys and girls has been lessened. Aids to the teacher in adapting her subject matter have been eliminated. Insurmountable difficulties have been placed in the way of teachers who would normally be seeking, through publications, books, teachers' meetings and schooling, to keep themselves abreast of the times.

We can count the number of schools that have been closed, but it is difficult to appraise in numbers the social losses which are occurring at all level of expenditure in schools which have been forced to retrench in response to vociferous and powerful minorities in the communities. The greatest difficulty to face is the realization that in the demands for retrenchment at any cost are basic justifications arising from the weakening timbers of an antiquated structure of financing public education.

Some of the immediate conditions resulting in truncated school budgets may be alleviated by loans against delinquent taxes and frozen assets. In meeting this situation, individual states are limited by all sorts of barriers difficult to surmount. Some of them are constitutional; others arise from the hysteria of the times. Not the least barrier is the fact that the federal government is so active in the field of taxation, utilizing the very taxes which states would normally use to meet the situation. There would seem to be every justification for federal assistance to the states in making funds available to be loaned against

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delinquent taxes and frozen bank deposits.

But the situation cannot be met by loans alone. There is need for direct aid to help in the support of public education in those districts in which education is disappearing because of the progressively contracting tax base or because of decreases in state aid. As

a state problem, the states must not only make up their deficiencies in state aid due to reduced tax income, but actually increase their aid to make up the local deficiencies, if the educational program is not to suffer most serious delimitation. Here again the state is faced with difficulties; not the least of which is that arising from the federal government's activity in the field of taxation: Without federal grants to states which will make possible the maintenance of state aid at normal levels, and the supplementing of decreased local revenues, many states will continue in their downward plunge to educational disaster.

Naturally even the emergency participation of the federal government in the support of public schools raises the old issues as to the relative ability of the states to do the task themselves. The present writer is persuaded that this question is answered once and for all by the data collected by the National Survey of School Finance. These data show that when the states have done all that reasonably can be expected of them in rebuilding the structure of public educational finance within their own borders, the end result will be intolerable when the situation is viewed from the standpoint of the nation as a whole. Depression or no depression, federal support for an adequate foundation program of education throughout the nation is inevitable if our democratic experiment is to continue. The sooner we face this fact the better. We need to turn our attention from the bickerings over such matters as control to the ways and means of setting up a system of national support which will avoid control, if that is our desire. We need to put every effort into the development of a public-school system which will not only safeguard the things which should be safeguarded, but will also have the financial sinews by which to fight the great battle for civilization all along the line.

Those who consider the problem as one affecting only the poorer states and the poorer communities are grossly misinformed. The problem is one which permeates our whole educational structure. A school system financed largely on a tax which carries an unfair share of burden of taxation for all government is a school system built on tottering timbers. This is true in the normally wealthy communities as well as in the poorer communities. Such a school system, even in the wealthier communities, cannot get the public support it deserves in good times and

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Should Federal Funds be Spent for Public Education ?

C O N

Arguments Opposing

THE American people must face the problem of conflict between our traditional policy of state and local autonomy and this growing trend toward federal centralization. The conflict cannot be settled, however, by taking into account mere educational results, important as these are, nor can it be disposed of by sweeping analogies which assume that increased centralization in our economic and social affairs necessitates a similar step in the management of the intimate relationship which exists between a community and its teachers and pupils.

Our American experience with educational management on all three governmental levels—local, state, and federal—must be appraised in terms of its total effects, social and political as well as educational. It may well be that the apparent immediate educational efficiencies which are the aim of centralized federal management of education, may be completely counterbalanced by other ultimate losses in social and political functioning. It is the conviction of this Committee that harm results when intimacy between schools and their patrons and neighbors is disturbed by remote control of a distant authority. Weakened personnel and local responsibility for so important a social function as public education may ultimately sap the foundations of popular interest and of support which historically have been among the major factors in the development by the United States of the most democratic system of education in the world.

Let it always be remembered that in civilization and government we are a democracy. We accept the democratic aspiration as a dominating fact in American life. We have chosen to locate sovereignty with the whole people operating cooperatively in their delegations of power to governments. Ours is a free society and governments are designed to be its agents, not its masters.

The democratic educational system which has evolved among us has shared the double aspiration of the American democratic movement itself—to ordain and establish institutions which safeguard a free society and its government, and to maintain conditions that give every citizen of the land the utmost chance to live a more significant life.

The first public schools emphasized the immediate need to give solidarity to a new government which had been achieved and to a new society which should realize the popular aspiration. Solidarity through education was an urgent necessity to protect the United States from enemies within as well as from enemies without. It is a commonplace of human experience that if freedom is granted without education or self-discipline it becomes a destructive license; when preceded and paralleled by education it becomes a contributive liberty. Liberty is freedom to

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operate in cooperation with one's fellowmen. Public schools responsive to all the people rather than to any privileged class have been set up and extended for the purpose of inculcating the ideals, values, attitudes, reverences, and rational modes of procedure needed in any common effort to guarantee the life of free institutions, the social pattern by which free human cooperations are made effective.

The instruction in the earliest public schools was limited to rudimentary and strictly scholastic subjects. But as the industrial and social life of the country became more complex, the demand for more advanced and varied training of youth to meet the new conditions became pressing. In response to this demand the American people have progressively enriched the content of instruction and liberally provided secondary schools and institutions of higher education supported from the public purse, and have provided through these institutions a highly diversified program of instruction.

At present more than half of our children enter secondary schools and one-eighth of them go on to study of college grade. The number attending institutions of higher education in the United States is now over a million. The percentage of students in higher institutions is much larger in the United States than in any other nation. The level of intelligence of the whole people, like the standard of living, is steadily rising.

There is no clearer expression of the democratic ideal than that exhibited in this liberal provision of free opportunities for universal education of a grade higher than that furnished in elementary schools. Numerous high schools and institutions of higher education scattered over the land, and open without social restrictions of any kind to all young people of ability and ambition, are characteristic features in the evolution of our unique civilization. They are the agencies established for training a citizenry made competent through self-discipline to meet the exacting demands of self-government. . . .

Public education, however, performs a function of quite different quality and purpose from that served by the traditional branches of government—legislatures, executives and courts of justice. The ordinary operations of making, interpreting and executing the laws assume the potential ability of governments to enforce the popular will by coercion. The operations of education are rational and persuasive rather than coercive. They succeed lastingly just to the degree that they appeal to and convince free minds, young or mature.

Current law-making and enforcement are conditioned by the existing level of popular intelligence and character. Education aims to improve the intelligence and character

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Mort, Cont'd

lacks stability in times like these for the reason that its support has suffered far-reaching inequalities affecting negatively the very individuals called upon to support schools locally. This is of far greater significance in the long run to the state and to the nation than to the educational workers in the abler communities. The justification for permitting the abler communities to support a superior education is that through experimentation of the abler communities we obtain the leadership by which the entire school structure is gradually adapted to changing conditions in our social order. A financial system that restricts and retards such initiative is a financial system that in the long run restricts and retards the adaptation of the entire structure of public education to changing needs.

At the present time every state is faced with the problem of transferring burdens from the taxes available to local communities to taxes more capable of carrying the burden, thus stabilizing the educational program not only in the poorer communities but also in the abler communities. The difficulty of bringing this to pass at the present time goes back to the same difficulty mentioned before, that of obtaining major changes in the tax system within the states at a time when the federal government is expanding its own tax program.

This situation has a long-range aspect also. At the present time it is difficult for states to move in bringing about tax reform because of the activity of the federal government, but even if there were not this retarding activity, the question could well be raised as to the relative success with which many of the new taxes can be administered by the states as compared with the federal government. There is considerable discussion in tax circles pointing to the possibility that, as a means of obtaining good tax administration, it may prove desirable for the federal government to become more and more a tax collector for the states. Should such development eventuate, the necessity for granting aid from the federal government to the proper states in normal times may well be supplemented by the granting of support for schools to the wealthier states also. This would represent a more unified attack upon the tax reform problem which must be solved in the wealthier states as well as in the poorer states.

Federal aid in maintaining schools in the present emergency is essential because of the serious difficulties involved in meeting the emergency by state action. This serious difficulty arises from sheer lack of ability in some instances and by lack of the emergency machinery in others. In the long run, federal support for education is essential because of the extreme limitations placed upon public education by the economic conditions in the poorer states, limitations which cannot be overcome by the state action. This would demand aid to the poorer states only. The possibilities of solving certain difficult problems in tax reform by attacking the problem on a national basis indicates the probability that the issue of complete federal support of a foundation program of education in all states will be a live issue in the not distant future.

One of the serious questions that always arises when federal aid for public education is considered is the question of control. It is based upon the theory that control

must necessarily be associated with support. There is ample evidence that this dictum gathers its support from practices arising from inadequate measures of need. When adequate measures were lacking the only hope of fairness in distributing aid was through discretionary power placed in the hands of administrators in determining amounts of aid to be allowed. Such discretion was necessarily associated with control hence the dictum.

The development of techniques by which amounts of aid to be fairly allotted under normal conditions to districts within a state on the basis of objective measures has demonstrated in actual practice that control need not be associated with support. For example, there may be cited the operation of the extensive state aid system in the State of New York which is entirely dissociated from control. As a matter of fact, when the present state aid plan was introduced in New York the amount of State control was measurably lessened. The controls which operate in the State come from other legislation.

The purpose of this statement is not to claim that a state or even a national system of aid should operate entirely without well considered controls. The fears arising, however, are that controls of a nature not intended in the legislation will grow up in the administration of the support program. Since there is competent proof that control can be inserted or omitted at will, if legislation is written with controls omitted or controls held to any specified minimum, administrative officers will have no opportunity to extend the controls exercised.

There is every evidence to support the position that emergency conditions now existing in the public schools which represent the great bulk of the emergency problems could be adequately met by the granting of emergency aid on a systematic objective basis. Such a basis could be written into the law. Undesired controls could then certainly be avoided. However, in those areas in which the Federal Government is now operating relief, involving as it does developments outside the normal structure of public education, there are no such bases available for distributing aid to states. The complete meeting of the emergency situation, dovetailing the schools with other community problems, would, therefore, require some measure of discretionary power. There are indications, therefore, that any complete program of relief must include some funds to be distributed at the discretion of administrative officers. These elements lie without the normal scope of the public school system.

In summary, the matter of the presence or absence of control in a financial program is a matter which can now be determined by the legislation enacted. Fears of the development of bureaucratic controls due to the action of some imponderable force in a financial program need no longer be a disturbing element.

I favor Federal aid under such conditions as exist at present. These are revealed in the latest reports from the Federal Office of Education and from the various State departments of education. According to these reports, 2,000,000 children of school age are entirely without school facilities. Probably 10,000,000 more have highly inadequate school facilities. It is apparent that unless

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of public opinion itself. It is for this reason that the people of the United States have constantly sought to keep their educational system somewhat apart from the political controversies and campaigns which affect the traditional functions of government. For this reason, too, we have developed for educational management units of government restricted to educational functions. School districts may be coincident in area with municipalities for general political services but school governments are usually independent of such general governments. They often have a different election day and more often they have independent financial powers. In spite of the enlarging and increasingly interrelated world in which we are living, our experience with community and state educational management has been so favorable on the whole, that the Federal Government still is, in conscious political theory at least, restricted to cooperative and supplementary aid. Any actual increases in power over education in the States which the Federal Government has acquired have been gained under the guise of cooperative effort.

This Committee, in stressing the traditional and characteristic relations between public education and the American people, between public schools and American governments, does not imply that there ought not to be any changes. Some changes are necessary, wise and inevitable. It wishes merely to indicate that our experience offers considerable guidance as to what these changes ought to be. On the other hand that experience also teaches that there are certain fundamental and well tried policies which ought to be held tenaciously and certain cautions which should be obeyed scrupulously. Our experience with democratic life, government and education is now sufficiently long to lead us to believe that most, though not all, of the inevitable and wise changes which ought to be made to meet the new present and the new future would fall within the general framework of well-established principles and policies the wisdom of which has already been clearly demonstrated.

Our system of public education is the most nearly folk-made of any national system of education in the world. It is the product of more than 145,000 school boards scattered throughout forty-eight States, and acting for the people of their respective communities. They have been subject in their administration to day-to-day contact with the parents and the neighbors of the children being educated. Let school trustees stray too far from popular sympathy and they will fail of reelection. By and large, when issues of educational management are settled at school elections they are comparatively free from confusion with other public matters then in political controversy, which are the issues of general elections. . . .

The apparent danger that lurks in all our more recent attempts to inject the Federal Government into education in the local communities is that it has not always nor even generally manifested that tender regard for local modes of management which has characterized state and county cooperations with local schools. Federal agencies frequently tend to set up modes of management highly centralist in spirit and effect, wherever they have tried to work in cooperation with statewide agencies and local boards. Their right to approve and to reject plans submitted by the States, involving details of both administra-

tion and instruction, is not in harmony with the indigenous American spirit of local and decentralized management which has always yielded certain and good results given adequate time. It is the spirit of local self-government native to the American people which dominates most of our educational affairs in the forty-eight States. The centralist attitude, already apparent where the Federal Government touches education in the States, is felt to be contradictory to our normal ways of conducting educational affairs, and hence arouses popular distrust.

There are those who hold that national welfare demands education different from and apart from that which expresses the wishes of a combined consciousness of all the American people working through their local school boards. That argument does not have adequate warrant in fact. There is no type of education subsidized and managed by the Federal Government that did not originate in the local communities and the States, and that did not, by the normal processes of local innovation and social imitation, spread over sufficiently wide areas to demonstrate that it was a matter of general, social, economic and human importance in our national life before the Federal Government undertook to promote it. The service which the Federal Government has rendered through its system of subventions and the control incident to the same have greatly accelerated the spread of an educational movement already under way, and standardized its purposes and processes, sometimes with the danger of restricting wide experimentation before full experimental variation has made wise choice possible. . . .

This development of administrative power by the Federal Government in highly specialized fields of education presents a threat that cannot longer be ignored. Unless there is an early reversal of policy, further federal participation in special phases of education within the States will involve us in a form of incoordinated centralization with evils far greater than those which characterize some of the European Governments. . . . The increasing number of new proposals for federal participation in special phases of education, each to be in charge of a specialist group operating through a separate federal office, suggests that the danger is not as remote as we may think. . . .

There are bolder centralists, both lay and professional, who argue that economic change and need are so far outstripping the capacity of the people to educate and adjust themselves to the most rapidly changing world we have ever known, that educational reconstruction cannot longer be permitted to wait upon the combined or fused public opinion of local communities in forty-eight States. Education, in its relation to economic change, they say, has become a highly technical matter, difficult for the people as a whole to comprehend. Policy needs to be formulated by a national organization of technically competent persons and their arguments brought to bear upon some central body of political representatives qualified to legislate promptly for the Nation as a whole. That body is the Federal Congress.

It is possible that more rapid action may be thus obtained and that the special type of education concerned may be more rapidly spread throughout the country with

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Federal aid is given very soon, educational opportunities of additional millions of children will be drastically and harmfully curtailed.

It is clear from the reports from every State of the Union that scores of school systems will be added to those already closed unless the Federal Government gives emergency aid, and gives it soon. The question goes deeper, however. Federal aid must sooner or later be placed on a permanent basis.

Whether America will continue to exist as a free democracy depends to a great degree upon whether we can develop a program of education in keeping with our reconstructed economics program. If we continue to attempt to finance education as it was financed in the days when local communities could be self-sustaining, we shall fail. Those days are gone. We face entirely new conditions. Those conditions demand that the problem of financing the education of our children be handled as a national problem.—*Extracts, see 1, p. 64.*

National Education Association

THE situation in education has reached the proportions of a major national crisis. Thousands of children are denied the heritage of their rightful educational opportunities. The purchasing power of the teaching profession which is exceeded in number of employees by only four industries—agriculture, construction, railroads, and textiles—continues downward in the face of rising commodity prices.

The states are unable to meet the crisis. Even before the depression there were tremendous variations in the relative ability of the states to support education. The depression has accentuated these inequalities. The states are unable to cope with the present emergency.

Education is of vital national concern. One of the most farflung and complicated socio-economic experiments in the history of the world is being tried. Only an educated people can carry out such a program successfully. Untrained intellects, unskilled hands, and selfish hearts have no place in the war against depression. Critical problems confront the nation. To drop back fifty or a hundred years in public education will be fatal. No nation can cut off the education of its children and endure.

Federal aid to education is not a new proposal or a new course of action. The federal government has given aid to education in one form or another almost since its inception; but in recent years aid has been provided only to special forms of education. The present period demands aid for education generally, especially in certain areas where the breakdown is most acute.

The federal government has assisted banking, industry, and agriculture. Few people question the wisdom of such action. Attention to the economic crisis was undoubtedly the first duty of the present administration.

Emergency federal aid to education is imperative. Al-

though it was necessary to deal first with the economic crisis and to provide food and clothing to those in need, the time has now come to nourish and protect the minds and hearts of the American citizens of tomorrow through the adequate restoration of educational opportunities which only the federal government has the power to accomplish in the near future.

According to the National Conference on the Financing of Education: "Emergency funds should be made available for the support of education in general; they should be made to the states; and should be used under the direction of state authorities." *Federal emergency aid for education does not mean that the states will surrender their constitutional control over public education.*

Congress should pass emergency school finance legislation at once, as outlined on the first page of this special feature, in order to:

(1) Open closed schools and prevent other schools from closing or from drastically shortening their terms.

(2) Prevent drastic retrenchments in educational programs which will lower still further the quantity and quality of educational opportunity provided the boys and girls of the nation.

(3) Provide for the employment at appropriate salaries of qualified teachers who are now unemployed and who are needed in school systems to carry on essential phases of educational work.

(4) Provide credit and other financial aid on the security of delinquent property taxes and frozen school funds in closed banks to enable the payment of salaries and other obligations now in arrears.

(5) Provide federal funds for the repair and construction of needed school buildings.

(6) Provide federal relief funds to assist the states in the maintenance of a foundation program of public education in every community during the period of the emergency.

(7) Secure the further liberalization of federal emergency acts through which relief is now being given to public education in some communities.

Federal aid to education will stimulate recovery. Money spent on schools will be fully as effective in stimulating recovery as the money now being expended on other projects no more important than the education of a nation's children. Moreover, education is a major and socially constructive opportunity for taking care of workers released from other lines of endeavor through technological development. It is clear that an increasing proportion of man-power must go into human services rather than into technological employment.

The time for action is at hand. The federal government is the only agency sufficiently powerful to meet the present emergency promptly. Failure to act will eventually cost many times the price of the action. Human resources are at stake. Whoever is to blame for the economic and educational crisis, the child is guiltless. Yet children are paying the penalty. And the penalty to society is only a few years delayed.—*Extracts, see 3, p. 64.*

Nat'l Advisory Committee, Cont'd

the aid of federal subventions and forced local matching of funds. It is possible that standards can be more quickly raised, in the large communities at least, by federally controlled state plans. But the price of such immediate gains is the stifling of much local experimentation, which is essential to the virility and continuing growth of every type of education. The inevitable result of centralized interference is the weakening of that intimate popular responsibility for education which has made American education unique because of its final responsiveness to the sensed needs of a democratic people with all of their differing aspirations and local conditions.

A nation built upon a theory of popular sovereignty, personal responsibility, and capacity for self-government can ill afford, for the sake of quick results, to weaken itself where it has long been virile. And childhood is, in the United States, the deepest personal concern of the American parent. If, as a citizen, he loses his sense of personal and local responsibility for the education of his own and his neighbors' children, there is little hope that he will feel a keen sense of responsibility for less personal civic services, or that his children will develop that capacity for self-government which is the essential foundation of popular sovereignty.—*Extracts, see 2, p. 64.*

by Rev. George Johnson, Ph. D.

Director, Dept. of Education

National Catholic Welfare Conference

THE Catholic position with regard to Federal control of education is so well known that it requires no restatement here. We have always been opposed to any movement which would take the direction and control of the purposes and policies of American education out of the hands of the State and the local communities and centralize them in the Federal Government. Logically, as a consequence, we are opposed to the establishment of a Federal Department of Education and to the principle of Federal aid to education, because we are convinced that either or both of these instrumentalities must in the nature of things inevitably lead to the assumption by the Federal Government of the direction and control of American education.

During these critical days it is most vital that the American people cling fast to those guarantees which were intended by the founders of our Republic to safeguard liberty. It is good for all of us that the press is exhibiting at the moment sensitiveness with regard to its prerogative of freedom. However much we sympathize with the aims of the present Administration, no matter how heart-felt our approval of the steps the Government has taken to correct the abuses in our economic system and to bring about a greater measure of security and contentment to all the people of the nation, we dare not lose sight of the fact that there is a large threat to our essential liberties necessarily contained in the governmental machinery that has been set up. We are confident that the President and

those who are laboring with him are striving conscientiously to administer the law in such a way as to avoid anything resembling an abuse of the great powers that they wield. Yet it is the duty of the American people to cooperate with their leaders by exerting the greatest vigilance, lest there be any curtailment of that freedom which our forefathers purchased at such a tremendous price and which it is our duty to preserve.

Side by side with freedom of speech and freedom of the press stands freedom of education. Our schools must remain free, responsive to the minds of the parents who send their children to them to be educated. The primary right to educate belongs to the parent. The role of the State is by nature secondary and subordinate to that of the family. Consequently the control of our national educational facilities dare not be vested in any agency that is too remote to feel the impact of neighborhood public opinion.

By the steps they have taken in the direction of national economic recovery the American people, to quote the words of Dean Russell, have "embarked upon an experiment and bartered a part of their liberty to secure greater equality." The question that every thinking American must answer for himself is this: How much, in terms of liberty, am I willing to pay for greater equality? Every effort that has been made in the past several years to obtain Federal funds for education has been based on the principle of equalization of opportunity. Those who have opposed such efforts have not quarreled with the ideal of an adequate education for every child in the United States, regardless of geographical limitation; but they have sensed the danger of achieving equality of education at the expense of something of far greater significance to the future of our nation and the happiness of our people, namely, freedom.

But today we seem to be faced with an emergency in American education. Whatever the cause, whoever may have been at fault, the American school system seems to have collapsed in certain parts of the country. There is striking evidence that where it has not collapsed it has been deeply affected, if not virtually paralyzed, by the depression. An emergency exists for the American schools and the States seem to be turning to the Federal Government for help.

If such help is eventually extended, it should be with the full and complete understanding that it is only for the time of the emergency. We must be extremely cautious lest in our attempts to meet this crisis we depart from our traditional American educational policy and set up mechanisms of Federal control which will become a permanent part of our governmental machinery. Whatever measures we take, we must guarantee that the control of education does not pass into the hands of the Federal Government.

We must also bear in mind that if there is to be any large measure of Federal relief for education, there must inevitably be an increase in taxation. It will be well to bear in mind the statement of Mr. Lewis Douglas, the director of the Federal budget: "If additional obligations are contracted, then (this is a sad subject) additional taxes must be imposed. The gaps in the old tax law must be closed, so that the wealthy may not escape. And, in addition

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by Willard W. Beatty

President, Progressive Education Association

IN CITIES, villages and country districts in many parts of the country those phases of education calculated to prepare children for life in the modern world have been curtailed or wiped out! These facts are brought out sharply in recent records of the Office of Education and the National Education Association. About 200,000 teachers are out of work; one in five of those employed are receiving a yearly wage below the minimum fixed by the NRA for unskilled labor (\$750), and thousands of others are receiving no money or are being paid in rapidly depreciating scrip.

This situation is not wholly new, but is the catastrophic climax of a chronically unsound condition. School taxes throughout the land are borne by real property. Increasingly, the wealth of the nation has been otherwise invested, with a consequent deflation in land values. Wide discrepancies exist in the ability of the various States to support public education, as has been authoritatively shown, notably by the National Survey of School Finance, conducted by Dr. Mort. Even in 1929, the weaker districts in Arkansas were limited to the type of schools which could be bought for \$12 per year per pupil, while the poorer districts in New York State enjoyed the type of educational program which could be purchased for \$78 per pupil.

A reconstruction of State systems of taxation would help, undoubtedly, yet the survey shows that the best that Arkansas, for example, could look forward to under most favorable conditions would be the type of educational program which was purchased in 1924 for \$24 per pupil annually. With the depression, the already slender resources of many of the Southern and Southwest-Central States have almost disappeared.

The fear that Federal aid will result in Federal domination and control of local educational programs makes many school administrators hesitate to appeal to the national government even in this emergency. No one who knows how local initiative has contributed to the improvement of public education would willingly consent to a centralization of educational administration. This can and must be avoided. However, at the moment the crisis is so grave that all who are interested in the maintenance of public education must combine to demand Federal aid—but free from any attempt to interfere with local educational policies. *Extracts, see 5, p. 64.*

by Charles A. Lee

Superintendent of Public Schools, Missouri

THE Federal Government should help support our public school system for the following reasons:

1. In order to promote the general welfare. Our public schools are maintained not merely for the sake of the child, who is the direct beneficiary of its services, but in order "to promote the general welfare." If we maintained our educational system merely for the sake of the child, the child or the parents would have to pay the bill. In the preamble to our Federal Constitution we find "in order to promote the general welfare" as one of the major reasons for its existence. As the perpetuity of the nation is dependent upon the general welfare of its citizens, it is surely the function of the Federal Government to assist financially in the training of those citizens.

2. To comply with our national educational policy. Federal support for education is in keeping with our established practice. Under the Articles of Confederation Congress adopted for the Northwest Territory the Ordinance of 1787, which has become famous in the educational history of the United States. It reads as follows: "Religion, morality and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged." The plan of government set up for the Northwest Territory became a model for the organization of all new territory acquired by the United States.

It is a known fact that Washington desired a national system of education with a national university in the capital. It is also a well-known fact that Jefferson, Madison and Monroe were inclined to favor Federal participation in education. Congress upon different occasions and for many years has aided public education.

3. To guarantee adequate educational facilities to all the children of the nation.

As the Federal Constitution contains no specific clause relating to education, the administrative set-up and the supervisory powers of an educational program must be left to the various States. Even though education is a State function, it is a national problem and must be recognized as such if adequate educational opportunities are provided for all the children of the nation. *Extracts, see 5, p. 64.*

by Paul C. Stetson

President, Department of
Superintendence, N. E. A.

PART of the difficulty in formulating a statement of one's position on the question of granting Federal money for the public schools lies in the lack of a definite program which one can evaluate and in the difference in the definitions of the terms used.

The terms "Federal support" and "Federal aid" are not, to me, synonymous. "Federal support" implies gifts of money by the Federal Government to States or local communities without regard to the resources of the States or local communities or their efforts to raise adequate

Johnson, *Cont'd*

tion, I say this in all sincerity, the great middle class of this country, which, after all, furnishes the vitality and the vigor and the moral tone to our body politic, for its own preservation, must be willing to subject itself to the taxes necessary to finance the additional emergency obligations incurred, if they are incurred. There are no other alternatives. Either no additional emergency expenditures can be made, or the middle class must willingly carry the burden of saving itself from destruction, for continuous and prolonged budgetary inflation means destruction."

Now it is of vital importance that we bear in mind that any legitimate interest that the Federal Government may cherish with regard to education is vested in the child. The National Advisory Committee on Education expressed it in the following words: "The children of the people in all the States are neither more nor less the potential units of popular sovereignty when regarded as potential citizens of the United States than when regarded as potential citizens of the various States." All of the children of all of the people are potential citizens of the United States, regardless of whether they are in the publicly-supported schools of the nation or not.

It so happens that all of the children of the nation are not in the publicly-supported schools. Some two and one-half million of them are in elementary and secondary schools supported by the Catholic people of the nation. That they are in these schools and not in the public schools is due to the fact that Catholic parents desire for their children an education which is rooted and founded in religion. In conscience they cannot accept a form of education which banishes religion from the curriculum and teaches all other subjects on a purely secular basis. They cannot in conscience adopt the compromise that seems to have satisfied their non-Catholic friends and neighbors, and leave to the home and to the Church the task of supplying whatever training in religion may seem desirable. This is simply a matter of conscience.

The right of Catholic parents thus to follow their conscience under the Constitution of the United States has been vindicated by the Supreme Court of the nation, which, in three important decisions, namely, in the Oregon Case, in the Nebraska Case, and in the Louisiana Textbook Case, has emphasized the right of the parent to determine the kind of education his child is to receive. To quote the Oregon decision, "We think it entirely plain that the Act of 1922 unreasonably interferes with the liberty of parents and guardians to direct the upbringing and education of children under their control. As often heretofore pointed out, rights guaranteed by the Constitution may not be abridged by legislation which has no reasonable relation to some purpose within the competency of the state. The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the state; those who nurture him and direct his destiny have the right coupled with the high duty, to recognize and prepare him for additional obligations."

To date, with some minor exceptions, the Catholic schools of the United States have been supported by the Catholic people. The burden has been great, the enroll-

ment in Catholic schools has increased constantly, every effort has been made to keep Catholic schools on the same level of efficiency with regard to organization, teacher training and curriculum as the public schools. This has meant, of course, a constant increase in school costs, borne exclusively by Catholic parents.

Meanwhile, of course, Catholic parents as taxpayers have contributed their quota to the support of the public schools. Roughly speaking, Catholics constitute one-sixth of the population of the United States. That means they are contributing one-sixth of the total amount that is being expended on public education. In other words, over and above educating their own children, they have been educating other people's children. This is a manifest injustice.

Against this injustice there has been little protest on the part of the Catholic people up until the present time. But now the picture is changed. The depression has affected Catholics fully as much as it has affected their fellow citizens of other faiths and religious persuasions. Only heroic self-sacrifice has enabled us to weather the storm thus far. In many parts of the country Catholic schools are in imminent danger of closing. If all Catholic elementary and high schools were to close tomorrow, the Government would be forced to provide some 9,000 school buildings to house 2,500,000 children, which, at \$300 per housing of each school child, would cost some 750 million dollars plus from 200 million to 300 million dollars a year to maintain the schools and educate the children.

Moreover, in almost every State additional sources of revenue for school support have been sought out. State equalization funds have been established, built up by newer forms of taxation, which means that where Catholics were doubly taxed before they are now being taxed three times or four times for the support of a form of education in whose benefits they cannot conscientiously participate.

Now comes the suggestion to give further support to the public schools through the Federal Government. This means an additional tax for public education for the Catholic taxpayer to bear. He is not in the mood to submit to this additional tax without assurance that his children shall participate in whatever educational advantages are derived from it. As Catholics we are opposed to the principle of Federal aid to education, but if such aid is given, we demand our just share of it. We are not asking for Federal aid or any other type of public aid for the Catholic Church or for Catholic religion. Catholic parents are simply demanding that they be reimbursed for the public service they are performing by maintaining Catholic schools in which American children are taught those things which are necessary for effective American citizenship.

We demand that if Federal aid is given, it be given in such a way as to benefit the children in Catholic schools as well as the children in public schools. The Federal Government has no legitimate interest in State school systems or State schools as such. Its only interest is in American children. Consequently Federal aid must not be given so as to benefit only those children who are in public schools. We would oppose with all the power that

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Stetson, *Cont'd*

revenues. While "Federal support" may originate because of an emergency, it is likely to continue long after the emergency has disappeared.

The term "Federal aid" for the public schools means, to me, gifts of money by the Federal Government to States or local communities in areas where it has been demonstrated that adequate local or State support is impossible. My attitude now is that I am opposed to "Federal support" as defined above and that I favor "Federal aid" provided it is surrounded with certain safeguards. Some of the reasons why I oppose Federal support are:

1. It is inconceivable that the Federal Government would or should give large sums of money to the support of institutions and not ask for an accounting thereof. This would mean the establishment of a bureau. Bureaucracy in education, as I view it, spells death to progress.

2. The dangers of indoctrination would be greatly increased with Federal support of the public schools.

3. Public education is primarily a local obligation. Local control with all of its manifest faults is superior to State or Federal control. It is possible that school authorities in local communities would make application to the Federal Government for support of their schools on the general theory that "everybody else is getting it."

4. My fourth objection arises from the feeling that the public schools of this country which have made a valiant and, in the main, successful effort to be freed from political control and domination will be plunged into politics on a national scale. This would be more disastrous than to be subjected to local political domination.

I favor "Federal aid" for areas which have demonstrated clearly that they have made every effort to support the schools from local sources of revenue and have failed, and that the State governments in which they are located have done the same. *Extracts, see 5, p. 64.*

Johnson, *Cont'd*

is in us any mechanism whereby Federal funds are turned over to the States exclusively for distribution. At the present time most States are forbidden by their constitution to give any moneys to schools controlled by religious denominations. State constitutions should be changed on this score, but there is no immediate prospect of such change being affected, and Federal aid is being contemplated to meet the needs of the present emergency.

We realize fully the difficulties that are involved in this question. We know full well that it will require great wisdom and patience to work out a plan whereby the children in Catholic schools can share in Federal grants. Perhaps some device such as that being contemplated for the relief of colleges, through the payment of tuition for deserving students, may prove to be the way out. The Federal Government would then in effect be aiding Catholic parents to educate their children in schools of their own choosing. It goes without saying that these schools should satisfy educational standards approved by the informed and sensible citizens of the community and meeting the requirements of the Government in all that pertains to civic formation, the safeguarding of the health of the children, and the protection of life.

Finally, any proposals for legislation to liberalize the procedure of the emergency agencies that are now giving aid to education in some form, such as the Reconstruction Finance Corporation, the Federal Relief Administration, the Public Works Administration, and the Civil Works Administration, should be based on a recognition of the principle that privately-supported schools, since they are performing a public service, have the same right as publicly-supported schools to share in such liberalization.—*Extracts, see 4, p. 64.*

The 73d Congress « « Now in Session

Duration—March 4, 1933–March 4, 1935. First Session Convened March 9, 1933; Adjourned

June 16, 1933. Second Session Convened January 3, 1934.

In the Senate

Membership
Total—96

60 Democrats

35 Republicans

1 Farmer-Labor

Presiding Officer

President: John N. Garner, D.
Vice-President of the United States

Floor Leaders

Majority Leader

Joseph T. Robinson, Ark., D.

Minority Leader

Charles L. McNary, Ore., R.

Officers

President Pro Tempore

Key Pittman, Nev., D.

Secretary

Edwin A. Halsey

Sergeant at Arms

Cuesley W. Jurney

Chaplain

Dr. ZeBarney Thorne Phillips,
D. D.

In the House

Membership
Total—435

313 Democrats

115 Republicans

5 Farmer-Labors
2 Vacancies

Presiding Officer

Speaker: Henry T. Rainey, D.
Member of the House from Illinois

Floor Leaders

Majority Leader

Joseph W. Byrns, Tenn., D.

Minority Leader

Bertrand H. Snell, N. Y., R.

Officers

Clerk of the House

South Trimble, Ky.

Sergeant at Arms

Kenneth Romney

Doorkeeper

Joseph J. Sinnott

Chaplain

Rev. James Shera Montgomery, D. D.

Progress Made by Major Legislation

From January 3 to January 20, 1934

WHAT the first three weeks of the second session of the Seventy-fourth Congress, which convened on January 3, have proven is that a vast majority of the members of both houses of Congress are still determined to follow the recommendations of President Roosevelt.

With a few glaring individual exceptions, this applies not only to the members of both parties, but also to the various factions in both parties.

The nearest thing to a revolt against the President came in the House on January 12 on a vote on a special rule, brought in by the Democratic leaders to apply to the consideration of the Independent Offices Appropriation bills and all the rest of the appropriation bills to be considered at this session.

This special rule provided that no amendments to the bill, as reported from committee, affecting the Administration's economy program should be considered on the floor of the House. The economy program affects the regular departments of the government.

Rules of this sort are known as "gag" rules because

they prevent the opposition from making changes in a bill not desired by the majority leaders.

The vote on the adoption of this rule was 197 to 192 and, at the time, was considered as possibly presaging real opposition to the Administration, since it was put through by the majority leaders with only 5 votes to spare, indicating that many Democratic Members had deserted their leaders.

Opposition to the rule was due principally to the fact that it headed off concerted efforts to so amend the Independent Offices Appropriation Bill as to restore to government employees their full rate of pay which was cut 15 per cent by the President and to restore to the war veterans those benefits which the President had cut off.

Once the rule was adopted, however, real opposition faded and the bill was finally passed with plenty of votes to spare.

Many of the Members who voted against the rule did so on the ground that they are inherently opposed to gag rules, while others voted against it in order to be on the side of the veterans and the Government employees. Having made their record for protection in their home districts, the latter were willing to go along with the Administration.

Later, on January 20, the House proved its responsiveness to the White House program when it passed the President's gold recovery bill by the overwhelming vote of 360 to 40. Of the 40 votes against the bill, 38 were Republican. Since there are 115 Republicans in the House

this indicates that but a few more than one-third of them voted against the gold bill.

On the Senate side of the Capitol a more stubborn opposition to the President's gold plan developed. Led by Senators Carter Glass of Virginia and William G. McAdoo of California, both outstanding Democrats and both of whom served as Secretary of the Treasury under President Woodrow Wilson, and backed by several of the conservative Republicans, a fight was made in the Committee on Banking and Currency first to prevent the President from taking control of the gold in possession of the Federal Reserve System and second to place a time limit on the operations of his gold policy.

The indications at this writing, however, are that while the Senate may adopt an amendment to the bill placing a time limit on its operations, this will be the only amendment of any consequence to be seriously considered. The Senate will, in the end, pass the bill, since all the Progressive Republican Senators as well as a vast majority of the Democrats will vote for it.

The gold bill and the fight for a restoration of the pay for Government employees and the benefits to veterans have been the only really controversial questions before Congress during its first three weeks.

It seems highly probable that the President will yield on the question of the clerks and the veterans and that Congress will vote them at least a partial return of their lost benefits.

Also it appears likely that Congress will vote the necessary money to carry on the Civilian Works Administration, (CWA) which is nearly exhausted. A barrage of protests from the voters against the President's suggestion that this work be stopped after May 1 has convinced a majority of the members of both houses that the voters are clamoring for the expenditure of Government funds and not for economy in Government operation at this time.

As one Republican Senator put it, after he had heard from the folks at home:

"Nine-tenths of the people want us to spend money. They do not seem to care where it comes from so long as it is being poured out. As Al Smith put it, 'Nobody wants to fire Santa Claus.' So here we go!"

A few of the more conservative Democrats and the Republican leaders are, however, going on record against various of the Administration's policies, not so much because they feel that they can accomplish anything toward checking them at this time, but because, in case the tide turns against the "New Deal," they desire to protect themselves against the accusation that they made no effort to stop its operations at the proper time.

So far as the Democrats are concerned, that wing of the party which calls itself "Liberal" and which is called by its critics "radical," appears to be distinctly in the ascendant at this time. Whenever there has been a clash between the liberals and the conservatives within the party, either in Congress or in the executive branches of the Government, the liberals have won.

Keen observers say that what trouble President Roosevelt is destined to run into later along, if any, will come from the extremists within his own party, plus the progressive Republicans in the Senate. This estimate of the situation is borne out by the fact that nearly all the progressive Republican Senators are in favor of currency inflation and the expenditure of more billions on projects

of any sort which are calculated to furnish employment and distribute Government funds to the masses.

Efforts to restore the pay of Government clerks, to restore veterans' benefits and to continue the CWA are cases in point.

So far as actual legislation is concerned, Congress, on January 20, had passed but two pieces of major legislation: the liquor tax bill and the bill extending the life of the Reconstruction Finance Corporation. The Independent Offices Appropriation bill, the gold bill and the farm mortgage bill had been passed by the House but not by the Senate.

Agriculture

Farm Credit Bonds

On March 10, President Roosevelt sent to Congress the following message:

"I have already suggested to the Congress that one of our tasks, in the light of experience, is to improve and perfect previous legislation.

"I now recommend that the Emergency Farm Credit Act of 1933 be amended to provide responsibility by the Government for the payment of the principal of, as well as interest on, bonds issued.

"Two billion dollars of bonds were authorized. While the interest was guaranteed, the ultimate obligation of the Government for payment of the principal was not legally assumed. We should supplement what most of us frankly believe to be the moral responsibility of the Government by adding the necessary legal responsibility. The result of providing a bond on which both the principal and interest are guaranteed would be to put such bonds on a par with Treasury securities.

"By setting up a corporation to issue these bonds, the important task of refinancing agricultural indebtedness can be continued on virtually a self-sustaining basis.

"The Farm Credit Administration is expediting the disbursement of funds. In order that progress in making loans may be uninterrupted, I hope that the Congress will give attention to this subject as soon as possible.

"It is true that technically the responsibilities of the Government will be increased by the amount of \$2,000,000,000, but it seems in every way right that we thus publicly acknowledge what amounts already to a moral obligation. In any event, the securities to be offered are backed, not only by the credit of the Government, but also by physical property of very definite value."

On March 10, Senator Joseph T. Robinson, Ark., D., introduced a bill (S. 2225) embodying the President's recommendations. On March 15 the Senate Committee on Banking and Currency reported the bill with amendments.

Section 1 of the bill as reported by the committee creates a corporation to be known as the "Federal Farm Mortgage Corporation." The board of directors of the Corporation will consist of the Secretary of the Treasury (or an officer of the Treasury designated by him), the Governor of the Farm Credit Administration, and the Land Bank Commissioner. The salaries of the agents, officers, and employees of the Corporation shall be sub-

ject to the same limitations as provided in the case of officers and employees of the Farm Credit Administration and Senate approval of the appointment of any such agents, officers, and employees receiving salaries at the rate of \$6,000 or more per annum is required.

The capital of the Corporation will be \$200,000,000, which shall be subscribed and paid for by the Governor on behalf of the United States, for which purpose the funds and proceeds thereof made available to the Land Bank Commissioner, under the provisions of section 32 of the Emergency Farm Mortgage Act of 1933, are transferred to the Corporation.

The Corporation, with the approval of the Secretary of the Treasury is authorized to issue and have outstanding bonds not exceeding \$2,000,000,000, the bonds to have such maturities and interest rates and to be issued at such prices as the corporation may prescribe with the approval of the Secretary of the Treasury. The bonds will be fully and unconditionally guaranteed, both as to interest and principal, by the United States and will be lawful investments and security for all fiduciary, trust, and public funds, the investment or deposit of which is under the authority or control of the United States. The Secretary of the Treasury is authorized to purchase bonds of the Corporation and to sell any of the bonds acquired by him. The bonds will be fully and adequately secured by assets of the Corporation. The Corporation may exchange its bonds for consolidated farm-loan bonds of equal face value and may exchange consolidated farm-loan bonds held by it for bonds of the Corporation of equal face value. Farm-loan bonds which may be exchanged must be consolidated farm-loan bonds. The corporation may also purchase the consolidated bonds of the 12 Federal land banks.

Ninety days after the enactment of the bill, the authority of the Federal land banks under legislation enacted at the last session of Congress, to issue bonds carrying the Government guaranty of interest, will be terminated except as to the issuance of bonds to refinance those heretofore issued under that legislation. The amount of the bonds so issued does not exceed \$150,000,000, all of which are held by the Reconstruction Finance Corporation as security for loans made to the Federal land banks.

The Federal Farm Loan Act is amended to authorize the Federal land banks to exchange their bonds for bonds of the Corporation, and vice versa, and to purchase bonds of the Corporation.

The new bill amends section 32 of the Emergency Farm Mortgage Act of 1933, under which direct loans are made by the Land Bank Commissioner, in such manner as to authorize him to make such loans in his name in behalf of the Corporation until February 1, 1936, and permits not to exceed of \$600,000,000 in face value of bonds of the Corporation to be used for this purpose increasing to this extent the available funds for such loans, and makes certain that the policy of permitting the Land Bank Commissioner on behalf of the Corporation to make these direct loans in bonds of the Corporation can be carried out.

The bill authorizes the Secretary of the Treasury to use the Corporation as a fiscal agent of the United States, and provides that the Corporation shall be exempt from taxes except real-property taxes; and that the mortgages and credit investments executed to the Land Bank Commissioner and those held by the Corporation, and the bonds of the latter, shall be exempt from all Federal,

State, and local taxation (except estate, inheritance, and gift taxes).

The bill transfers to the governor of the Farm Credit Administration the notes and obligations evidencing advances made by the Secretary of Agriculture under the Seed and Crop Loan Acts, the collection proceeds of which were heretofore made available to provide a part of the revolving fund of not exceeding \$120,000,000 for which provision is made in section 5 of the Farm Credit Act of 1933 for the purpose of establishing the 12 production credit corporations. Section 14 of the bill makes the funds referred to in those provisions which are in excess of \$120,000,000 available to establish a revolving fund of not exceeding \$40,000,000 which, with the approval of the Secretary of the Treasury, may be used by the governor to subscribe, from time to time, to the capital stock and/or paid-in surplus of the Federal intermediate credit banks.

Section 15 amends the Federal Reserve Act to the extent of authorizing the Federal Reserve banks to buy and sell bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding 6 months, and to make loans on the security of bonds of the Corporation subject to the limitations and restrictions respecting loans made on the security of direct obligations of the Government issued under the Second Liberty Loan Act.

A.A.A.—Exchange Regulations

Hearings are being conducted by the House Committee on Agriculture on proposed amendments to the Agriculture Adjustment Act to include beef cattle and sugar in the list of basic commodities covered by the original act as subject to the processing tax. At present beef cattle and sugar raisers can negotiate marketing agreements with processors, but they are purely voluntary, while wheat, corn, hogs, cotton, tobacco and rice, listed as basic commodities, benefit by the compulsory processing tax.

Before the House Committee are also proposals for an appropriation of \$200,000,000 for additional payments to producers of dairy products and livestock on the ground that a high processing tax on these products reduces consumption and defeats the aims of the A.A.A.

Chairman Jones, of the House Committee on Agriculture, is preparing a new bill for drastic regulation of grain and cotton exchanges.

Appropriations

Independent Offices

The House committee on Appropriations reported, on January 10, the Independent Offices Appropriations, H. R. 6663. This bill provides more than half a billion dollars (\$566,435,693) for maintenance of the Veterans Administration, and other Federal commissions and agencies that are apart from the executive departments of the Government. It was brought up with a special rule, char-

acterized by members on both sides as a drastic "gag" rule, which prevented members from amending on the floor of the House, the economy provisions of this and all subsequent appropriation bills of this session. This rule was aimed at heading off any attempt to restore the 15% pay cut of Federal employes and restoration of Veterans' benefits. The bill, in line with the President's program, proposes restoring salaries to 90% of the basic pay during the next fiscal year, beginning July 1, next, but does not in the meantime disturb the 15% cut. The rule was adopted January 11 by a vote of 197 to 192. On January 12 the bill was considered and passed. It was promptly reported by the Senate Committee on Appropriations and the Senate began consideration of it on January 17. It is expected that efforts to abolish the 15% pay cut for Government employees and to restore some of the Veterans' allowances will be made on the floor of the Senate.

Interior Department

On January 16, the House Appropriations Committee reported the \$31,098,504 Interior Department bill, cut \$19,380,767 under current appropriations. The bill passed the House, without amendment, on January 19 and was sent to the Senate.

Budget

On January 3 President Roosevelt sent to Congress his annual budget message in which he said, in part:

"I transmit herewith the budget for the year ending June 30, 1935. It contains also estimates of receipts and expenditures for the current year ending June 30, 1934, and includes statements of the financial operations or status of all governmental agencies, including the Reconstruction Finance Corporation. The estimates herein given and included in the budget have to do with general and special funds—the government's moneys. They do not relate to trust and contributed funds, which are not Government moneys, except where expressly referred to as such.

"In my annual message to the Congress I have already summarized the problems presented by the deflationary forces of the depression, the paralyzed condition which affected the banking system, business, agriculture, transportation, and, indeed, the whole orderly continuation of the Nation's social and economic system.

"I have outlined the steps taken since last March for the resumption of normal activities and the restoration of the credit of the Government.

"Of necessity these many measures have caused spending by the Government far in excess of the income of the Government.

"The results of expenditures already made show themselves in concrete form in better prices for farm commodities, in renewed business activity, in increased employment, in reopening of and restored confidence in banks, and in well-organized relief.

"Exclusive of debt retirement of \$488,171,500 for this year, budget estimates of expenditures, including operating expenses of the regular Government establishments

and also all expenditures which may be broadly classed as caused by the necessity for recovery from the depression will amount this year (ending June 30, 1934) to \$9,403,006,967.

"This total falls in broad terms into the following classifications:

General:	
Departmental	\$2,899,116,200
Legislative	17,718,500
Independent establishments	616,857,067
	<hr/>
	\$3,533,691,767
Less public debt retirements	488,171,500
	<hr/>
Total, general	\$3,045,520,267
Emergency:	
Public Works Administration	\$1,677,190,800
Agricultural Adjustment Administration..	103,250,000
Farm Credit Administration	40,000,000
Emergency Conservation Work	341,705,600
Reconstruction Finance Corporation	3,969,740,300
Tennessee Valley Authority	19,000,000
Federal Land Banks	52,350,000
Federal Deposit Insurance Corporation..	150,000,000
National Industrial Recovery Administration	4,250,000
	<hr/>
Total, emergency	\$6,357,486,700
	<hr/>
Total, general and emergency, less public debt retirements	\$9,403,006,967

"As against these expenditures, which have either been appropriated for or for which appropriations are asked, the estimated receipts for this fiscal year (ending June 30, 1934) are \$3,259,938,756.

"On this basis, including, however, certain additional expenditures for 1934 which are not included in the budget estimates but which I believe to be necessary and amounting to \$1,166,000,000, the excess of expenditures over receipts will be \$7,309,068,211. Interest charges on the borrowings in excess of budget estimates will slightly increase this figure.

"On the basis of these estimates, the public debt, in the strict sense of the term, at the expiration of this fiscal year, will therefore amount to approximately \$29,847,000,000, or an increase as shown above of \$7,309,068,211.

"However, as against this increase in the total debt figure, it is right to point out that the various governmental agencies have loans outstanding with a book value of \$3,558,516,189, against which collateral or assets have been pledged.

"In order to make clear to the Congress what our borrowing problem is for the next six months, permit me to remind you that we shall have to borrow approximately \$6,000,000,000 of new money and, in addition, \$4,000,000,000 to meet maturities of a like amount."

Gold

On January 15 President Roosevelt sent to Congress a message asking for the passage of specific legislation authorizing him to take over all the gold in possession of Federal Reserve Banks in the carrying out of his gold purchase plan. Accompanying the message were drafts of a bill, prepared by the Treasury Department. This bill, known as the "Gold Reserve Act of 1934," was introduced in the Senate by Senator Fletcher, Fla., D., chairman of the Senate Committee on Banking and Currency, and in the House by Representative Steagall, Ala., D., chairman of the House Banking and Currency Committee.

The main provisions of the bill are the following:

1. Gives the Treasury title to all the country's monetary gold stock, including that of the Federal Reserve Board.
2. Fixes 60 per cent of the dollar's present gold content as the maximum of the value of the gold dollar after revaluation.
3. Appropriates for the use of the Administration a fund of \$2,000,000,000, obtained from the added value of the gold after devaluation of the dollar, the fund to be used in the purchase of foreign exchange and other commercial items for the purpose of stabilizing the foreign value of the dollar.
4. Extends the authority of the Treasury for the issuance and flotation of Government securities, thus making it possible for the Treasury to purchase any type of Government security with any other type and sell issues of securities privately without making an offer to the general public.

The House Committee reported the bill promptly and it was passed by the House on January 20 by a vote of 360 to 40. Of the 40 Representatives who voted against the bill, 38 were Republicans and 2 were Democrats. Nearly all the Republicans were from Eastern states. Of the Democrats one, Claiborne, was from Missouri and the other, Terrell, from Texas.

In the Senate pronounced opposition to the bill developed immediately, led by Senator Glass, Va., D., and Senator McAdoo, Calif., D., each of whom served as Secretary of the Treasury under President Wilson. Various regional heads of the Federal Reserve Banks have appeared before the Senate Committee in opposition to the bill. Attorney General Cummings delivered an opinion to the President to the effect that the proposed legislation would be Constitutional but Senator Glass and others have challenged that opinion. Prompt action on the bill has been requested by the President but it seems probable that a vigorous effort to delay action until the question has been fully debated will be made by its opponents in the Senate.

Following is the full text of the President's message in which the desired legislation is fully described:

"In conformity with the progress we are making in restoring a fairer price level and with our purpose of arriving eventually at a less variable purchasing power for the dollar, I ask the Congress for certain additional legislation to improve our financial and monetary system. By making clear that we are establishing permanent metallic reserves in the possession and ownership of the Federal Government, we can organize a currency system which will be both sound and adequate.

"The issuance and control of the medium of exchange which we call 'money' is a high prerogative of government. It has been such for many centuries. Because they were scarce, because they could readily be subdivided and transported, gold and silver have been used either for money or as a basis for forms of money which in themselves had only nominal intrinsic value.

"In pure theory, of course, a government could issue mere tokens to serve as money—tokens which would be accepted at their face value if it were certain that the amount of these tokens were permanently limited and confined to the total amount necessary for the daily cash needs of the community. Because this assurance could not always or sufficiently be given, governments have found that reserves or bases of gold and silver behind their paper or token currency added stability to their financial systems.

"There is still much confusion of thought which prevents a world-wide agreement creating a uniform monetary policy. Many advocate gold as the sole basis of currency; others advocate silver; still others advocate both gold and silver whether as separate bases, or on a basis with a fixed ratio, or on a fused basis.

"We hope that, despite present world confusion, events are leading to some future form of general agreement. The recent London agreement in regard to silver was a step, though only a step, in this direction.

"At this time we can usefully take a further step, which we hope will contribute to an ultimate world-wide solution.

"Certain lessons seem clear. For example, the free circulation of gold coins is unnecessary, leads to hoarding, and tends to a possible weakening of national financial structures in times of emergency. The practice of transferring gold from one individual to another or from the Government to an individual within a nation is not only unnecessary but is in every way undesirable. The transfer of gold in bulk is essential only for the payment of international trade balances.

"Therefore it is a prudent step to vest in the government of a nation the title to and possession of all monetary gold within its boundaries and to keep that gold in the form of bullion rather than in coin.

"Because the safe-keeping of this monetary basis rests with the Government, we have already called in the gold which was in the possession of private individuals or corporations. There remains, however, a very large weight in gold bullion and coins which is still in the possession or control of the Federal Reserve banks.

"Although under existing law there is authority, by Executive act, to take title to the gold in the possession or control of the Reserve banks, this is a step of such importance that I prefer to ask the Congress by specific enactment to vest in the United States Government title to all supplies of American-owned monetary gold, with provision for the payment therefor in gold certificates. These gold certificates will be, as now, secured at all times dollar for dollar by gold in the Treasury—gold for each dollar of such weight and fineness as may be established from time to time.

"Such legislation places the right, title, and ownership to our gold reserves in the Government itself; it makes clear the Government's ownership of any added dollar value of the country's stock of gold which would result

from any decrease of the gold content of the dollar which may be made in the public interest. It would also, of course, with equal justice, cast upon the Government the loss of such dollar value if the public interest in the future should require an increase in the amount of gold designated as a dollar.

"The title to all gold being in the Government, the total stock will serve as a permanent and fixed metallic reserve which will change in amount only so far as necessary for the settlement of international balances or as may be required by a future agreement among the nations of the world for a redistribution of the world stock of monetary gold.

"With the establishment of this permanent policy, placing all monetary gold in the ownership of the Government as a bullion base for its currency, the time has come for a more certain determination of the gold value of the American dollar. Because of world uncertainties, I do not believe it desirable in the public interest that an exact value be now fixed. The President is authorized by present legislation to fix the lower limit of permissible revaluation at 50 per cent. Careful study leads me to believe that any revaluation at more than 60 per cent of the present statutory value would not be in the public interest. I, therefore, recommend to the Congress that it fix the upper limit of permissible revaluation at 60 per cent.

"That we may be further prepared to bring some greater degree of stability to foreign exchange rates in the interests of our people, there should be added to the present power of the Secretary of the Treasury to buy and sell gold at home and abroad, express power to deal in foreign exchange as such. As a part of this power, I suggest that, out of the profits of any devaluation, there should be set up a fund of \$2,000,000,000 for such purchases and sales of gold, foreign exchange, and Government securities as the regulation of the currency, the maintenance of the credit of the Government, and the general welfare of the United States may require.

"Certain amendments of existing legislation relating to the purchase and sale of gold and to other monetary matters would add to the convenience of handling current problems in this field. The Secretary of the Treasury is prepared to submit information concerning such changes to the appropriate committees of the Congress.

"The foregoing recommendations relate chiefly to gold. The other principal precious metal—silver—has also been used from time immemorial as a metallic base for currencies as well as for actual currency itself. It is used as such by probably half the population of the world. It constitutes a very important part of our own monetary structure. It is such a crucial factor in much of the world's international trade that it cannot be neglected.

"On December 21, 1933, I issued a proclamation providing for the coinage of our newly mined silver and for increasing our reserves of silver bullion, thereby putting us among the first nations to carry out the silver agreement entered into by 66 governments at the London Conference. This agreement is distinctly a step in the right direction and we are proceeding to perform our part of it.

"All of the 66 nations agreed to refrain from melting or debasing their silver coins, to replace paper currency of small denominations with silver coins, and to refrain from legislation that would depreciate the value of silver in the world markets. Those nations producing large quan-

ties of silver agreed to take specified amounts from their domestic production and those holding and using large quantities agreed to restrict the amount they would sell during the 4 years covered by the agreement.

"If all these undertakings are carried out by the governments concerned, there will be a marked increase in the use and value of silver.

"Governments can well, as they have in the past, employ silver as a basis for currency, and I look for a greatly increased use. I am, however, withholding any recommendation to the Congress looking to further extension of the monetary use of silver because I believe that we should gain more knowledge of the results of the London agreement and of our other monetary measures.

"Permit me once more to stress two principles. Our national currency must be maintained as a sound currency which, insofar as possible, will have a fairly constant standard of purchasing power and be adequate for the purposes of daily use and the establishment of credit.

"The other principle is the inherent right of government to issue currency and to be the sole custodian and owner of the base or reserve of precious metals underlying that currency. With this goes the prerogative of government to determine from time to time the extent and nature of the metallic reserve. I am confident that the Nation will well realize the definite purpose of the Government to maintain the credit of that Government and, at the same time, to provide a sound medium of exchange which will serve the needs of our people."

On January 16 the artificial price of gold was raised to \$34.45, less one-fourth of 1% for handling charges, this being equivalent to the 60c dollar. 60c gold dollar would contain 13.93 grains of gold, compared with 23.22 grains in the old dollar; a 50c dollar would contain 11.61 grains.

The majority opinion in Congress is that Mr. Roosevelt had closed the door to any silver legislation and that such additions of silver to the monetary base as may ultimately be proposed under "symmetrism," must wait upon action by the nations which signed, but have not ratified, the London conference silver pact. At the same time Senator Wheeler, Mont., D., and the other silver Senators of the West are still trying to get consideration of the Wheeler bill for the free coinage of silver at the ratio of 16 to 1.

The Administration still considers stabilization something to be achieved after prices have been restored, not before. The declared objective is still something approximating 1926 levels, measured at 100 in the index of the Bureau of Labor Statistics. At the pit of the depression last March 4 the index stood at 59.6. At the end of the year it was up to 70.4—but wavering and tending downward.

In a move to strengthen Government control of foreign exchange and halt the flight of capital that accompanied dollar devaluation, President Roosevelt on January 16, applied virtually an embargo on the withdrawal of all currency or credits for other than normal operations.

By two Executive orders he empowered the Secretary of the Treasury to extend the licensing system used to control bank transactions in foreign exchange to all persons seeking credits abroad. With another Executive order he authorized all mints and assay offices to receive gold under regulations of the Treasury.

Liquor Tax

On February 16, 1933, the joint resolution for the repeal of the 18th Amendment (S. J. Res. 211) passed the Senate by a vote of 63 to 23 and passed the House on February 20, by a vote of 289 to 121. It was then submitted to the States for ratification, as provided for in the Constitution.

On December 5th, the 21st amendment was officially added to the Constitution and national prohibition ended as Utah became the 36th State to ratify. The same day President Roosevelt issued the repeal proclamation. The following day Maine became the 37th state to ratify. The states which ratified were: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Idaho, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming.

On January 3, 1934, the House Committee on Ways and Means reported the Liquor Tax bill. It passed the House on January 5. On January 8 it was reported by the Senate Committee on Finance and passed by the Senate on January 11 with slight amendments, which the House agreed to on January 11.

During consideration of the bill on the floor of the House and Senate various drastic amendments were offered, ranging from high taxes to extremely low taxes, but all were defeated, the Democratic leaders having decided that the \$2 tax was high enough to produce a revenue and not too high to affect sales. By a close vote Senator Bennett C. Clark, Mo., D., forced the adoption in the Senate of an amendment placing an extra tax on importations of wines and liquors from those nations which are in default of their war debts, but later the Senate reconsidered and struck out the Clark amendment, after the Department of State had informed Senate leaders that the Clark amendment would seriously affect various tariff agreements now being worked out with foreign nations. At 11.50 on the night of January 11 President Roosevelt signed the bill.

Under the provisions of the bill, distilled spirits, including whiskey, brandy, and wines containing more than 24 per cent of alcohol by volume, the domestic tax is \$2 a gallon. On wines with less than 14 per cent of alcohol the tax is 10 cents a gallon; from 14 per cent up to 21 per cent, 20 cents a gallon; up to 24 per cent, 40 cents a gallon, over 40 per cent being classified as distilled spirits; champagne or sparkling wine, 15 cents on each half pint; artificially carbonated wine, 12½ cents a half-pint; liquors, 2½ cents a half-pint. The tax on beer is reduced from \$6 to \$5 a barrel.

The provision in the bill for the protection of dry states reads:

"Whoever shall order, purchase, or cause intoxicating liquors to be transported in interstate commerce, except for scientific, sacramental, medicinal, and mechanical purposes, into any State, Territory, or the District of Columbia, the laws of which prohibit the manufacture or sale therein of intoxicating liquors for beverage purposes, shall be fined not more than \$1,000 or imprisoned not more than six months, or both; and for any subsequent offense shall be imprisoned not more than one year."

A separate liquor control bill for the District of Columbia (H. R. 6181), imposing a system of licensing private dealers instead of a Government dispensary plan, was passed by the House January 9 and by the Senate on January 17. On January 9, the Insular Affairs Committee reported a bill (H. R. 6574) removing restrictions in Federal prohibition laws on Puerto Rico and the Virgin Islands. This passed the House on January 11.

Philippines

On October 17, 1933, the Philippine Legislature rejected the terms of the Hawes-Cutting Act for independence. The Hawes-Cutting Act provided that if its terms were not accepted by the Filipinos by January 17, 1934, the Act should lapse. Consequently, on January 17 the offer of Congress to the Filipinos was automatically withdrawn and moves for independence have to begin all over again.

Uncertainty prevails as to the next step and it does not seem likely that any decisive action will be taken at this session of Congress.

Reconstruction Finance Corporation

Bills to extend the life of the Reconstruction Finance Corporation until February 1, 1935, or such earlier date as the President may fix by proclamation (S. 2125 and H. R. 6804) were reported by the House Committee on Banking and Currency on January 12, and by the Senate Committee on Banking and Currency on January 13. The identical bills are on the calendars of their respective houses awaiting action.

The primary purpose of the bill is to extend the functions of the Reconstruction Finance Corporation until February 1, 1935, or such earlier date as the President may fix by proclamation, and to postpone the liquidation and winding up of its affairs during whatever period the functions of the Corporation are continued.

The bill also provides that no disbursement shall be made by the Corporation on any commitment or agreement to make a loan or advance after the expiration of 1 year from the date of the commitment or agreement, but the termination by law of the functions of the Corporation within such period is not to be considered to prohibit disbursements on prior commitments or agreements.

In order to enable the Corporation to continue its activities during the period for which its life is extended by the bill and to provide additional funds for expenditure in connection with tasks upon which the Corporation is already engaged, the bill provides for increasing the borrowing power of the Corporation under section 9 of the Reconstruction Finance Corporation Act, as amended, by \$850,000,000.

St. Lawrence Waterway

On January 11 President Roosevelt sent a special message to the Senate, urging the prompt ratification of the St. Lawrence waterway treaty with Canada. He expressed the conviction that building the waterway "will not injure the railroads or throw their employees out of work, that it will not in any way interfere with the proper use of the Mississippi River or the Missouri River for navigation." Moreover, he argued, all the needs of the Chicago drainage district have been safeguarded. In the message he expressed the opinion that Canada may, and probably would, build the waterway if the United States declines to join her in the project; predicted the project would give work to thousands of unemployed, and cited the advantages of the proposed electric power development.

Every Senator from an Atlantic seaboard State north of Virginia, except the two from Vermont, and including the two Senators from New York, as well as those from States in the Mississippi Valley are opposed to ratification.

In the debate in the Senate on January 11, 16, and 19, Senator Pittman opened the fight for ratification. Since then Senators Vandenberg and Shipstead have been leading the fight. Senator Wagner, one of the President's most loyal and hard hitting lieutenants, is bitterly opposed to the treaty.

No date has been set for a vote on the ratification resolution.

In the House the waterway treaty was debated on January 17, Republican leader Bertrand H. Snell coming out strongly in its favor.

Veterans

Following a drive by veterans' organizations for the restoration of some of the benefits abolished by the President under the Economy Act, President Roosevelt has signed four executive orders modifying his original order.

The new orders will affect about 228,000 veterans and the annual increases in cost will be more than \$21,000,000.

In substance, these orders, which are not retroactive, provide:

1. The old basic pay of \$100 for service connected disability is restored in place of the \$90 rate in effect since last March. There will be a proportionate increase for less disability down to 10%. Additional cost \$8,000,000.

2. Veterans suffering from non-service connected disabilities, requiring emergency treatment or extensive hospitalization, and who are unable to pay for these services, will be granted medical or surgical care in existing veterans' facilities. Additional cost, \$8,362,000.

3. Spanish War Veterans with at least 90 days' service, or who served less than 90 days, if discharged for line of duty disability, shall, without regard to age or service connection, be granted \$15 a month pension. Additional cost \$2,000,000.

4. Funeral allowances are increased from \$75 to \$100 for honorably discharged veterans. Additional cost \$1,228,000.

5. Permanently and totally disabled veterans who were discharged because of disability in line of duty, are entitled to \$30 monthly pensions, even if their service may have been less than 90 days. Additional cost \$204,000.

6. Widows of peace-time members of the military and naval establishments are made eligible for monthly pensions. Additional cost \$448,000.

7. Federal employees receiving no more than a \$1000 yearly, if single, or \$2500, if married or having dependent children, shall not forfeit their pensions while so employed. Additional cost of \$1,250,000.

8. Pensionable employees of the Veterans' Administration may participate in deciding veterans' claims by waiving their rights to benefits while so employed but may renew their rights later. No additional cost.

In spite of these additional benefits the DAV intends to aggressively continue its campaign for full restoration of all benefits to the service connected group. Therefore, units and members should continue to wire and write their respective Senators and Congressmen stressing the need of removing the remaining hardships to the service connected, resulting from the law of March 20th and subsequent regulations.

In the meantime veterans' organizations are pressing for legislation for the complete restoration of all the benefits the President abolished. They will appear before the appropriations committees of both houses during the next few weeks to urge their claims.

The Students' Question Box

Q.—What is the total amount of foreign war debts still owing the United States?

A.—On December 31, 1933, the total amount that foreign governments owed the United States was \$11,786,484,000.

Q.—What is the difference between civil works jobs and civil works service jobs?

A.—Civil works service employees include all persons employed on projects directly relating to relief offices, such as nursing services, interviewing and investigating, work in sewing and canning centers, etc., and all persons employed on projects such as vocational education, adult education, nursery schools. Civil works jobs cover construction and repair projects.

Q.—Are bonds issued by the Home Owners' Loan Corporation guaranteed by the United States Government?

A.—Only the interest on Home Owners' Loan Corporation bonds is guaranteed by the Government. Bills to guarantee the principal have been introduced in Congress and are pending before that body.

Q.—Can labor complaints be handled by any of the code authorities?

A.—Yes. To date, code authorities of the bituminous coal and cotton industries have been authorized to handle such complaints.

Q.—How many grains of gold would a 60c dollar contain?

A.—A 60c dollar would contain 13.93 grains of gold in comparison with 23.22 of the 100c dollar. A 50c dollar would contain 11.61 grains.

Q.—What is understood by "symmetallism"?

A.—Symmetallism would make money exchangeable for a given weight of gold plus a given weight of silver, regardless of the value of either metal.

Q.—Who controls the Federal Reserve Banks?

A.—Member banks of the Federal Reserve System own all of the stock in the reserve banks. The Government holds none. The Federal Reserve Board, however, appoints a certain number of directors.

Q.—To whom do the profits of the Federal Reserve Banks go?

A.—If there are any earnings they are distributed among the member banks. Until the Banking Act of 1933, surpluses were turned over to the Treasury as a franchise tax. Since that act has been in effect the reserve banks keep what surpluses there are. However the reserve banks must now pay a certain amount, to the Federal Deposit Insurance Corporation.

Q.—Does the President of the Senate and the Speaker of the House have a vote in the respective bodies over which they preside?

A.—The President of the Senate has no vote except the issue be equally divided. (See Art. I, Sec. 3, Clause 4 of the Constitution.)

The Speaker of the House has the same right as the other members of the House to vote, but rarely exercises it. Except where his vote would be decisive, he is not required to vote.

Q.—What national elections are to be held in 1934?

A.—In 1934 all the members of the House and one-third of the members of the Senate will be elected. In most of the states the elections will be held on the first Tuesday after the first Monday in November. A notable exception is Maine whose elections are held in September. The 32 Senators and the 435 Members of the House, chosen at the 1934 elections will begin serving their new terms on the first Monday in January, 1935. The 32 Senators will be elected for terms of six years each and the 435 Representatives for terms of two years each.

Party primaries for the selection of nominees will be held in most of the states prior to the elections. Although in a few states the convention system of making party nominations still prevails.

Q.—What is understood by "matching" of funds for education?

A.—As a condition to receiving a gift of money from the Federal Government, state or local authorities are required to make available an amount of money equal to the sum received. Thus the state or local authority "matches" the sum given by the Federal Government.

Q.—What is an "Enabling Act"?

A.—A statute which makes it lawful for a person or corporation to do something which otherwise would not be lawful. As applied to acts of Congress admitting territories to statehood, an enabling act is an act admitting a state to the Union and setting forth the terms under which the state is to be admitted. See Chronology, page 34.

Q.—Who is the oldest man in point of service in Congress?

A.—Representative Edward W. Pou, Democrat, of North Carolina, is the dean of both houses in point of service, having first taken his seat in the House on March 4, 1901. Thus, on March 4, 1934, he will have served 33 consecutive years. He is 70 years of age.

Next to Mr. Pou in the House, comes Adolph J. Sabath, Democrat, of Illinois, who is rounding out his 27th consecutive year. Mr. Sabath is 67 years of age.

In the Senate, William E. Borah, of Idaho, is the oldest member in point of service. He took his seat March 4, 1907. He has served four full consecutive terms of 6 years each and on March 4, 1931, began his fifth term, which will expire in 1937. Thus on March 4, 1934, he will have served 27 consecutive years. He will be up for re-election in 1936. He is 68 years of age.

The U. S. Constitution and Federal Aid for Education

Continued from page 37

This provision protects individuals and also private schools. It was applied by the Supreme Court in 1923 in a case arising out of the teaching of German in the Zion Parochial School, Hamilton County, Nebraska, in defiance of a Nebraska law of 1919, prohibiting the teaching of foreign languages in Nebraska schools to pupils below the eighth grade; and again in 1925 in a case involving the Hawaiian Territorial Law, prohibiting the teaching of foreign languages, principally Japanese, in private schools in the Hawaiian Islands, the decision in both cases being that the laws invaded the rights of parents and children under the Fourteenth Amendment.

The Emergency Agencies and Education

Continued from page 39

cent from local sources; (3) entire cost borne by U. S. and building leased to community.

NPB. (National Planning Board.) Part of PWA prepares a comprehensive program of public works. An allotment of \$250,000 for a comprehensive survey of public works needs, including school plant needs, has recently been made.

FHC. (Federal Housing Corporation.) Created by PWA to undertake slum clearance and large scale housing operations. The plans will include provisions for

nursery schools, playgrounds, and other educational needs.

Uncle Sam Faces a Crisis in Education

Continued from page 41

to find employment. High schools, junior colleges and other institutions of higher education, formal and informal, will have to take up this slack to prevent idleness ruining character.

Plainly our retreats on the educational front are not due to lack of need but lack of finances. Education is a fixed charge in the operation of any civilized nation. Somehow our people will find a way to pay for it.

American Educators Offer a Plan for Federal Aid

Continued from page 43

School Directors—Marcus Aaron, Pres. Board of Public Ed., Pittsburgh, Pa.

Sub-Committee on Legislative Plan—James N. Rule, Chmn.; Arnold B. Hall; Sidney B. Hall; Charles H. Judd; Paul R. Mort; Charles R. Mann; John K. Norton; George F. Zook; William G. Carr; A. B. Meredith; J. H. Richmond; David E. Weglein; J. W. Studebaker; A. T. Allen; Charles R. Lee; Louis Brownlow.

Sources of Information for this Number

- 1—Paul R. Mort—"Progressive Education, December, 1933," *New York Times*, December 17, 1933.
- 2—Report of National Advisory Committee on Education, October, 1931.
- 3—"Emergency Federal Aid for Education"—published by the

National Education Association, February, 1934.

- 4—Memorandum submitted to "The Federal Advisory Committee on Emergency Aid in Education" by Rev. George Johnson, Ph.D., November 27, 1933.

- 5—*New York Times*, December 17, 1933.

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